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Footpath in the mountains of Caucasus. Photo by Iqra, Adobe Stock

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Changing Geopolitics of the South Caucasus after the Second Karabakh War Prospect for Regional Cooperation and/or Rivalry

This report is from the research project “Changing Geopolitics of the South Caucasus: The Prospect for Regional Cooperation and the Role of the External Actors”, funded by the Norwegian Ministry of Foreign Affairs. The report covers the period July 2021–June 2022 and presents an overarching analysis of the geopolitical changes in the aftermath of the second Karabakh War. The report further provides accounts and perspectives on conflicts, regional collaboration and trade in South Caucasus as seen from Armenia, Azerbaijan, Georgia, and Turkey. Additionally, the effect of the Russian invasion of Ukraine and the initial impact of this war on the region is analyzed. The report concludes with an epilogue presenting updated reflections on the impact of the Russian invasion of Ukraine for the South Caucasus and recent initiatives for peace negotiations between Armenia and Azerbaijan.

The report and the project were executed through a collaborative effort by researchers from the South Caucasus, Turkey, and Norway, headed by Siri Neset. Throughout the project duration continuous desk-based research was undertaken. The project started off by a series of webinar group interviews with researchers working on relevant areas in relation to the region and with researchers working on institutional ties with the region (i.e. NATO, EU, OSCE) to pinpoint key variables and drivers. Thereafter, an interview protocol was developed, and the team conducted semi-structured expert interviews in Georgia, Azerbaijan, Armenia, and Turkey as well as informal conversations with political elites. These strands of data were processed through a category-based analysis.

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EXECUTIVE SUMMARY

This report presents the different country perspectives, main findings, and an updated epilogue from the research project “Changing Geopolitics of the South Caucasus: The Prospect for Regional Cooperation and the Role of the External Actors”, funded by the Norwegian Ministry of Foreign Affairs. Throughout the project period between July 2021 and June 2022, the region continued to evolve with a stream of fast-changing developments in the countries and how it is perceived globally. The Russian invasion of Ukraine severely shook the region, and the possible long-term consequences for Georgia, Armenia, Azerbaijan, Turkey, and external actors are somewhat unclear.

The 45-day war over Nagorno Karabakh in 2020 changed the geopolitical landscape dramatically. With Azerbaijan’s victory, new borders were drawn in the region. The regional balance of power also shifted, and the potential for regional cooperation increased while the role of external actors changed. Azerbaijan gained political and military dominance, Armenia’s power and influence dramatically decreased, and Georgia found itself in danger of being sidelined should Azerbaijan and Armenia manage to sign a peace agreement. Russia was the broker of the ceasefire agreement and increased the presence of military peacekeepers, and Turkey had a robust political comeback to the region and military presence in Azerbaijan. The new situation has set the stage for opening the region and increasing regional and international connectivity through new or re-opening transport corridors, railways, and energy transportation projects. Trade and transport are the most likely areas of cooperation between the regional countries and may proceed in tandem with, or independent of, the peace process between Azerbaijan and Armenia. The war and the Russian-brokered truce marked a significant blow to European and U.S. initiatives to solve the conflict through the OSCE Minsk Group format. And while the West stressed its readiness to contribute, the various actors needed more credibility to deal with hard security issues in the region.

With the Russian invasion of Ukraine, the regional situation has become even more fragile, adding new risks to an unstable security environment. Georgia, Armenia, and Azerbaijan have initially tried to connect with the Western block while also attempting to avoid drawing any attention from Russia. The long history of conflicts in the region and Russian dominance means there are serious concerns within all the countries that Russian influence may now increase. Still, there is also the possibility that the trembles of Russian actions in Ukraine and changes in the international order might change the historical patterns of behaviour that, in a best-case scenario, might lead to regional unification against a common threat. All countries might see a need to reduce the consequences of Russian pressure and protect their national sovereignty, territorial integrity, and independence.

The war in Ukraine may catalyse the peace talks between Armenia and Azerbaijan. The E.U., and more recently the U.S.,¹ has stepped in as a facilitator to the bilateral process that is perceived to make real progress. There is cautious optimism but also concern about how Russia will act. In general, the room for manoeuvring by external actors has increased. There is an awareness about a change in the regional power balance between Russia and Turkey, amongst the regional powers, and vis a vis external power. Turkey could increase its standing in the region and become a challenge to Russian dominance. However, this would necessitate a reshaping of its Russian policy. Under the current circumstances, the regional countries would no doubt benefit from a suitable platform to discuss the current situation and possible futures with external powers.

1 J. Kucera. “For The Ethnic Armenian Leadership In Nagorno-Karabakh, The Walls Are Closing In” *Radio Free Europe/Radio Liberty* (RFE/RL) Armenian Service, 28 June 2023, <https://www.rferl.org/a/armenia-azerbaijan-nagorno-karabakh-leadership-peace-talks/32480945.html>

THE CHANGING GEOPOLITICS OF THE SOUTH CAUCASUS

Background²

Mustafa Aydın

Before the establishment of the Soviet Union, the Caucasus was an area of competition between the Ottoman, Persian, and Russian empires, resulting in a blending of cultures along vital transit routes. The ensuing competition included religious, ethnic, and imperialistic overtures. Regional peoples were forced to migrate several times depending on their religion and/or political allegiance.

The Caucasus lies between the Black Sea and the Caspian Sea and comprises Georgia, Azerbaijan, and Armenia – although parts of Russia, Turkey, and Iran could also be included geographically. The Caucasus Mountains, where Europe and Asia converge, separate the North Caucasus, part of Russia, and the South Caucasus of the three independent Caucasian countries. From a Russian perspective, the latter was called Trans-Caucasus (*Zakavkáz'je* in Russian) in history, meaning the region “beyond the Caucasus Mountains”. The Greater Caucasus watershed is traditionally considered the dividing point between Europe and Asia. Consequently, while some analysts put the western portion of the Caucasus region in Europe and the eastern part (the majority of Azerbaijan and small parts of Armenia, Georgia, and Russia’s Caspian Sea coast) in Asia, others identify the Aras River as the border of Turkey as the continental demarcation line that presents Armenia, Azerbaijan, and Georgia in Europe.

The history of the Caucasus is a history of centuries of constant movement across the region. The region geo-strategically lays along the roads connecting the north to south and east to west. Leaving aside the region’s earlier history, the northern part of the Caucasus has been defined by its resistance against Russian attacks and attempts to subdue its people since the early 19th century. The southern part also witnessed foreign invasions and power struggles among the Russian, Ottoman, and Persian states until the end of the First World War. Finally, the Soviet Union consolidated its control north and south of the Caucasus Mountains. Along the way, however, following the 1917 Revolution and the withdrawal of the Russian forces from the region, the South Caucasian people were able to unify into a single political entity as the Transcaucasian Democratic Federative Republic between 9 April 1918 to 26 May 1918 and later as the Transcaucasian Socialist Federative Soviet Republic from 12 March 1922 to 5 December 1936. Subsequently, however, they were incorporated into the Soviet Union.

During the Second World War, the Northern Caucasus witnessed intense clashes between Nazi Germany and the Soviet Union, and German forces occupied significant parts. Nazi Germany withdrew from the region after the Battle of Stalingrad (1942-1943). Still, the cooperation between some local people and the Nazi troops led to the forceful removal of various ethnic groups from the region by the Stalinist regime.

2 This section is a reworked version of parts of M. Aydın, “Towards the transformation of Asia’s geopolitics: Eurasian Heartland-Eastern Europe, the Trans-Caucasus, and Central Asia”, in Ç. Erhan and E. Akdemir (eds.), *Geopolitics and Strategy*, Eskişehir, Anadolu University, 2020, pp. 78-113. Much of the material used in the chapter was already covered in two earlier publications: M. Aydın, *New Geopolitics of Central Asia and the Caucasus: Causes of Instability and Predicament*, Ankara, SAM Papers, No. 2, 2000; and M. Aydın, “Kafkasya ve Orta Asya’yla İlişkiler”, in B. Oran (ed.), *Türk Dış Politikası; Kurtuluş Savaşından Bugüne Olgular, Belgeler, Yorumlar*, Cilt II: 1980-2001, İstanbul, İletişim Yayınları, 2003.

During the rest of the 20th century, the Soviet Union closed the region to outside connections and influence. The South Caucasus formed one of the border zones between the Soviet Union and the Western Alliance. There was watchful suspense across the region as neither side could make any military or strategic move without risking nuclear war.

The Soviet Union’s direct control of the South Caucasus ended with the Union’s collapse in December 1991, and Azerbaijan, Armenia, and Georgia were finally independent countries. However, the North Caucasus remains part of the Russian Federation, and various territorial disputes have since emerged, allowing Russia to exert its influence over the region. In the South Caucasus, the fall of the Soviet Union brought forth sources of tension and grievances that the Cold War suppressed. There was also an increased possibility that the West would move into former Soviet-controlled areas through partnerships and cooperation programs. However, the competition for influence over the region again rose in the post-cold war era between Russia, Turkey, and Iran. These tensions formed the background for the successive territorial, nationalistic, ethnic, and partly religious disputes across the region.

The changes in international relations since 1989 have significantly altered the political geography of Eurasia, putting the newly independent states into global calculations. The sudden emergence of the Caucasian (and Central Asian) states caught the local populations and the world unprepared. During most of the twentieth century, strategists and geopolitical experts considered these lands the Soviet Union’s hinterland. On the other hand, the U.S. tried to “contain” these areas by linking its various alignment systems. Thus, Turkey, Iran, and Pakistan became important outposts of this policy. However, the collapse of the Soviet Union changed this dramatically, putting the newly independent states firmly into global geopolitical calculations. This is because it was discovered that they have essential natural resources (i.e., Azerbaijan), sat across important transit routes (i.e., Georgia), or were engulfed in various conflicts (all three Caucasian countries). Where Russia’s power and influence weakened, the newly independent states have taken different roads toward national consolidation,

Map 1: The Caucasus, physical



Source: <https://www.britannica.com/place/Caucasus>

economic development, and political alliances. This brought about international security and policy issues that did not exist before the fall of Soviet power. It soon became apparent that, besides the Russian Federation, the area constituted a matter of profound interest and vital concern for Turkey, Iran, China, the U.S., and the E.U.

While national minorities rediscovered long-suppressed identities and demanded new rights throughout the region, political leaders in all the countries plunged into what could best be described as a prolonged period of nation and state-building. Most of the region's economy, logistical, and communication infrastructures were centralised during the Soviet period. Therefore, when the Union dissolved, the individual countries became independent and cut off from economic and financial connections, creating significant obstacles to national development.

The newly independent countries have dealt with the post-Soviet transition in different ways, which has resulted in varying levels of conflict. Most of the earlier post-Soviet leaders in the Caucasus discarded the Soviet political tradition and the legacy of the old regime. Instead, they tried to replace the old system with new power bases and institutions. However, their challenges to the previous political order resulted in several violent clashes, uprisings, and, in some cases, civil war. Even in cases where violent conflicts were avoided, several dynamics, including ethnic differences, religious diversities, economic problems, environmental issues, and external influences, have caused instability.

During the Soviet era, the central government tried to suppress any distinction that challenged the supremacy of communist ideology, including national identities. However, ethnic minorities in all republics were recognised and written at the ethnicity line of their I.D. cards. The borders of the union republics did not aim to create homogeneous republics or confirm historic quasi-identities. Instead, they divided people and endeavoured to replace them with identities flowing across officially recognised republic borders.

Table 1: Basic characteristics of the Caucasian countries

	Azerbaijan	Armenia	Georgia
Capital	Baku	Yerevan	Tbilisi
Area (km²)	86,600	29,743	69,700
Population	10,009,595	2,936,526	3,904,824
Governing System	Semi- presidential republic	Parliamentary system	Semi-presidential representative democracy
Current Leadership	Ilham Aliyev (President) Ali Asadov (PM)	Armen Sarkissian (President) Nikol Vovayi Pashinyan (PM)	Salome Zourabichvili (President) Irakli Garibashvili (PM)
Ethnic Groups*	Azerbaijani (91%), Lezgi (2%), Armenian (1.3%), Russian (1.3%), Tallish (1.2%), Avar (0.5 %), Turkish (0.4%), Tatar (0.3%), Tat (0.3%), Ukrainian (0.25%)	Armenian (98%), Yazidi, Russian	Georgians (86,6 %), Russian (0,7%), Jew, Azerbaijani (6,3%), Armenian (4,5%), Ossetian (0,4%), Yezidi, Greek, Ukrainian, Laz
Religious Groups	95% Muslim (85% Shia; 15% Sunni)	Armenian Apostolic Church (93%), Sunni Islam	Orthodox Christianity (83,4%), Armenian Christian (2,9%), Muslim (10,7%), Roman Catholic (0.8%)
GDP Growth Rate (1st quarter of 2019)	5,6 %	5,7 %	10,4 %
Life Expectancy	73.1 years (70.3 years for males, 75.7 years for females)	74.9 years (71.6 years for males, 78.5 years for females)	72.6 years (68.3 years for males, 76.8 years for females)

* Figures for Georgia are according to the 2014 census, excluding Abkhazians and Ossetians living in Abkhazia and South Ossetia. Ethnic Georgians comprise three groups: Kartvelian, Mingrelian, and Swan.

The attempted nationality engineering under the Soviet regime included a mixture of local, tribal, and ethnic groups and identities in each country. While strict totalitarian rule and suppression kept the destabilising character of ethnic and religious diversity under control during the Soviet era, the root causes of instability remained, leading the region into turmoil after the collapse.

Each of the Caucasian states has a dominant titular nationality alongside many minorities (see map two and table one for more details). Moreover, the region has a complex diversification of religious faiths closely related to separate national-ethnic identities. The Azerbaijanis belong to the Turkic ethnicity, most of whom are Shi'ite Muslims. Most Armenians and Georgians are followers of two branches of the Eastern Orthodox Church. The affiliations of national churches interact with national identities in Georgia and Armenia. Azerbaijan has been concerned about possible Iranian influences as most of its population are Shiite Muslims. Finally, there are Armenians living in Azerbaijan and Georgia. While the Nagorno-Karabakh Autonomous Region is located within the borders of Azerbaijan, and most of its population was Armenian at the time of the independence. In contrast, the Nakhichevan Autonomous Republic, part of Azerbaijan but located between Armenia and Iran, is populated primarily by Azerbaijanis.

The geopolitics of the South Caucasus in the post-Cold War era have constantly evolved, mainly to the interests of nearby regional countries (Russia, Turkey, Iran) and global powers (the U.S., the E.U., and individual European countries such as France). During the 1990s, the leading outside players were Russia, Turkey, and Iran, the latter of which played for more cultural and semi-political influence with economic undertones. At the same time, Turkey and Russia were locked in intense competition with political, ethnic, economic, energy, security, and religious dimensions. Turkey received support from the West, especially the U.S., as a conduit with the regional countries in this competition. Turkey's offer to link the region to Europe with energy pipelines, road-rail connections, and political, military, and economic advisory and support roles is attractive to the regional countries. Nevertheless, they felt constrained by the existence of Russian soldiers in their territories – a legacy of Soviet-era agreements with various military bases. Further, there was an increased emergence of ethnic/national conflicts, with Russia as a player.

In this aspect, the emergence of the Nagorno-Karabakh conflict even predates the demise of the Soviet Union. Armenians and Azerbaijanis had remained in a state of tense watchfulness towards each other during most of the 20th century as their versions of national histories clashed over most of the modern territories of Azerbaijan and Armenia. With plenty of examples of grievances on both sides to cite, only the Soviet heavy hand kept them from outright conflict, although occasional local clashes did break out. What started yet another clash between the two countries over the demands of the Nagorno-Karabakh Autonomous Oblast within the Azerbaijan Soviet Socialist Republic to join the Armenian Soviet Socialist Republic in 1987 turned into a full-scale war by the end of 1991 when both Azerbaijan and Armenia declared their independence. The Azerbaijan SSR parliament abolished the oblast's autonomous status on 26 November 1991, before it declared independence. In turn, the Armenian population of the oblast declared their independence, which was immediately supported, though not recognised, by Armenia. The ensuing conflict saw Armenian forces capture the whole territory of Nagorno-Karabakh and, quickly, seven *raions* (regions) around it, amounting to 20 % of Azerbaijan's territory. The ceasefire reached in 1994 provided a degree of fragile stability due to the lack of a negotiated resolution to the conflict. Finally, Azerbaijan regained control of the occupied rayons and some of the territories of the former autonomous oblast during the 2020 Nagorno-Karabakh War.

Meanwhile, Georgia has been engulfed in not one but three ethnic disputes in its territory since its independence. The heavy-handed Georgian nationalist rhetoric of the Gamsakhurdia regime in the early 1990s could be blamed for the emergence of resistance among the Acara, Ossetian and Abkhazian minorities of the country. However, their geographical location could explain Abkhazia's descent into civil war with the central government while Acara found a way forward. Acara sits on the border with Turkey, which did not encourage its secession. Abkhazia and South Ossetia are straddled along the border with Russia, which has not missed an opportunity to get involved. Critical in this aspect was the decision of the Saakashvili government in the early 2000s to move towards NATO membership,

internal problems and declining interest in the region after sharing the region's energy resources was accomplished were instrumental in increasing the influence of the Russian Federation, which had developed its relations with Azerbaijan and expanded its hold over Armenia.

CHANGED DYNAMICS AFTER THE SECOND KARABAKH WAR

Siri Neset and Mustafa Aydın

The Second Karabakh War again showed that the region's geopolitics have continued to evolve. This time we have witnessed a comeback from Turkey; the marginalisation of Iran; the further weakening of the role of the West, including the Organization for Security and Co-operation in Europe (OSCE); and the emergence of a Russian-Turkish partnership and competition for the future of the South Caucasus. More recently, the Russian attack on Ukraine on 24 February 2022 yet again dramatically and instantly altered the already delicate geopolitical landscape. As it is seen as the Russian leadership's resentment of any degree of "sovereign choice" among its neighbours, it is perceived as a grave security problem for the South Caucasian states, too.

The 44-day war between Azerbaijan and Armenia over Nagorno-Karabakh and the occupied territories of Azerbaijan from 27 September to 9 November 2020 culminated in a protracted conflict over the region since the end of the Cold War and the independence of these Caucasian states. The war ended with a ceasefire agreement on 9 November 2020, with Russian mediation, though no peace treaty has yet been signed.

The war marked a dramatic shift in the balance of power in the region. While Azerbaijan now clearly dominates the political and military scene in the area, Armenia's power and influence have dramatically weakened. Georgia is poised to be side-lined should the two warring countries sign a peace treaty and embark on a road of cooperation. Among the outside powers, Russia and Turkey have both increased their influence. Russia has now placed its soldiers as peacekeepers in Azerbaijani territory 30 years after their initial withdrawal. Turkey has succeeded in a robust political comeback and increased military presence in Azerbaijan for the first time since the First World War and is poised to benefit further from any regional openings and cooperative initiatives. The Western presence generally suffered from a lack of strategy, weak interest, and general absence. As a result, national (i.e., The U.S., EU, France) and institutional (i.e., the OSCE and its Minsk Group) influences weakened significantly.

Russia's main goal for the region has been to project itself as the dominant military and security actor and keep the Western powers, such as the U.S. and the E.U., out. With the deployment of 2.000 Russian peacekeeping forces in Karabakh, Russia now has troops in all three South Caucasus states. With the withdrawal of the Armenian forces from Nagorno-Karabakh, Russia has become a de facto patron in this area. It has already introduced Russian as a second language in the region.³ Russia is not only present militarily in Karabakh, but it also operates a military base with nearly 3.000 military personnel in Gyumri, Armenia. Additionally, Russia defends Armenia's borders with Turkey and Iran, secures the transit route between Armenia and Nagorno-Karabakh, and will play a crucial role in a future corridor to Nakhichevan from Azerbaijan through Armenian territory. This entails a strong presence in the security sector in the South Caucasus and a significant loss of Armenia's sovereignty.

Although Russia has lost its most significant leverage over Azerbaijan -i.e., the unresolved Nagorno-Karabakh conflict⁴ – it retained some of its leverage by deploying Russian peacekeepers on Azerbaijani territory and the newly signed agreement between the two countries.⁵ Moreover, in the post-war environment, Russia has enforced its position as the leading security actor in the South Caucasus through its exclusivity in brokering the ceasefire and its deployment of "peacekeeping forces" without an international mandate. However, Russia is challenged by Turkey, Iran, and China, especially regarding economy and transportation. Moscow is "dragging its feet" to negotiate a final solution to the

3 T. de Waal, *The Nagorny Karabakh Conflict in its Fourth Decade*, CEPS Working Paper, No WD 2021-02, 2021, p. 8, https://www.ceps.eu/wp-content/uploads/2021/09/WD2021-02_The-Nagorny-Karabakh-Conflict-in-its-Fourth-Decade.pdf.

4 G. Novikova, "Significant Shifts in the Geopolitics of the South Caucasus. European Security and Defense, 2021, <https://euro-sd.com/2021/10/articles/exclusive/23944/significant-shifts-in-the-geopolitics-of-the-south-caucasus/>.

5 Azerbaijan State News Agency, "Declaration on allied interaction between the Republic of Azerbaijan and the Russian Federation", 22 February 2022, https://azertag.az/en/xeber/Declaration_on_allied_interaction_between_the_Republic_of_Azerbaijan_and_the_Russian_Federation-2024876.

Map 3: War zone in the Second Karabakh War



Source: T. de Waal, *The Nagorno Karabakh Conflict in its Fourth Decade*, Brussels, CEPS, 2021, https://www.ceps.eu/wp-content/uploads/2021/09/WD2021-02_The-Nagorno-Karabakh-Conflict-in-its-Fourth-Decade.pdf.

conflict, which might represent its policy of taking advantage of conflicts rather than solving them.⁶ Yet, as noted by Stefan Meister, this “(...) can only work as long as Russia has sufficient resources to back it up with military force.”⁷

As the victorious actor after the war, Azerbaijan increased its power in the region. Not only by being able to change the facts on the ground but also because it psychologically overcame its long-suffered humiliation of losing the First Nagorno-Karabakh War and the occupation of its territory by its historical opponent in the early 1990s. Besides regaining territory lost in the First NK War,

6 S. Meister, *Shifting Geopolitical Realities in the South Caucasus*, SCEEUS Reports on Human Rights and Security in Eastern Europe, No 8, 2021, <https://www.ui.se/forskning/centrum-for-osteuropastudier/sceeu-report/shifting-geopolitical-realities-in-the-south-caucasus/>.

7 Ibid.

Azerbaijan has already invested USD 3 billion in the reconquered areas, building infrastructure and housing facilities with the intention of future resettlement of the 700,000 Internally Displaced People (IDP) who had to leave their homeland in the early 1990s.⁸ Moreover, it will undoubtedly continue to benefit from the close security relations it has established with Turkey and Israel in the run-up to the war. Finally, any economic cooperation and the possibility of linking its Nakhichevan exclave through Armenian territory will eventually connect Turkey to Central Asia and China through Azerbaijan and the Caspian Sea, making it an essential link for China's Belt and Road Initiative.

Georgia was alarmed that Russia had increased its military presence in the South Caucasus and was concerned about further Georgian isolation, especially if the warring countries could move forward with bilateral cooperation. The post-war challenges for Georgia principally lie within the economic domain, primarily as consequences of future transport routes that might challenge Georgia's position as a vital regional transit country.⁹

In the latest war, Armenia lost territory that it has been controlling since the early 1990s and, as such, is seen by many as the clear loser of the war. However, the country could turn this into a positive sum if it can domestically overcome the objections of the Nagorno-Karabakh Armenians and ultra-nationalists and gain support for further liberalisation, democratisation, and normalisation of its relations with Turkey and Azerbaijan. This would undoubtedly end its hitherto isolated position in the region, creating and strengthening its connections with other regional countries and Europe. In turn, this would weaken its dependency on Russia, thereby strengthening its sovereignty and independence. Such a development would also help the Armenian economy to develop. Nevertheless, much of this depends on developments in Armenian domestic politics.

Like Russia, Turkey has increased its foothold in the region but has not yet been able to challenge Moscow's hegemonic position. Turkey's close relationship with Azerbaijan, as reflected in the unique place it obtained in the Shusha Declaration of 15 June 2021,¹⁰ between the two countries, together with its re-established military presence in the region after more than a century, sets it up for a future stronger position if, and when, Russia withdraws its peacekeeping forces from the area. Should it be successful, the normalisation process between Armenia and Turkey will also increase Turkey's position in the region by establishing further land connections between Azerbaijan and Nakhichevan. It will further realise Turkey's long-term goal of gaining direct access to the Caspian Sea and beyond, bypassing Iran, and becoming a transfer and transit hub for this region to Europe. Moreover, Turkey is poised to benefit from the reconstruction of the liberated territories of Azerbaijan¹¹ and the successes of the Turkish-produced drones and other military systems used in the war by Azerbaijan against Russian-armed Armenia.

The Second Nagorno-Karabakh War further decreased Iran's role in the region. Although it is the only country with relations with Georgia, Azerbaijan, and Armenia, it did not participate in the war or the settlement. Iran cannot compete with Turkey and Russia in the post-war environment regarding security issues, political influence, or economic infusion. In contrast to Turkey and Israel, Azerbaijan has not invited it to rebuild areas bordering Iran due to its tense relations with Azerbaijan. Iran has held a seemingly pro-Armenian position for years, despite not being involved in the conflict and not supplying any military gear to Armenia. The fear of possible inducements of Iranian citizens of Azerbaijani and Turkic origin has created a tense atmosphere. Furthermore, and especially problematic for Tehran, the military cooperation between Israel and Azerbaijan has resulted in solid condemnations from Iran and even stronger reactions from Azerbaijan.

8 Novikova, "Significant Shifts in the Geopolitics of the South Caucasus".

9 "Geopolitical Implications of Nagorno Karabakh War for Georgia: Expectations from Great and Small Powers", Expert Comment #18, Georgian Institute of Politics, 2021, <https://gip.ge/wp-content/uploads/2021/07/GIP-Expert-comment-18.pdf>.

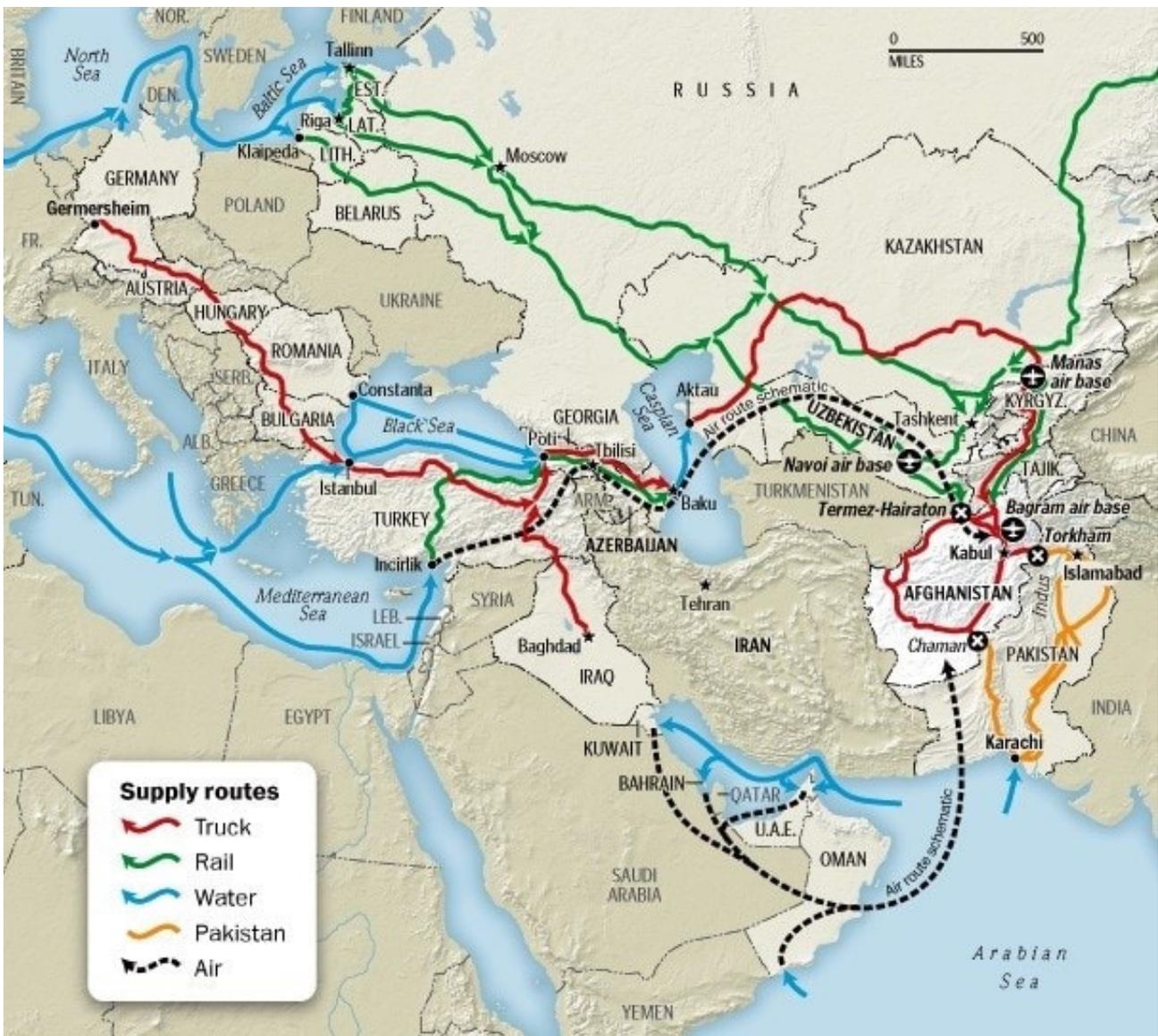
10 For the full text of the declaration in Turkish, see *Resmi Gazete*, <https://www.resmigazete.gov.tr/eskiler/2022/03/20220323-1.pdf>. For an unofficial translation see https://azertag.az/en/xeber/Shusha_Declaration_on_Allied_Relations_between_the_Republic_of_Azerbaijan_and_the_Republic_of_Turkey-1809375.

11 "Karabağ'ın inşasında Türkiye önemli rol oynayacak", *Haber Turk*, 2021, <https://www.haberturk.com/gaziantep-haberleri/92240755-karabagin-insasinda-turkiye-onemli-rol-oynayacak>.

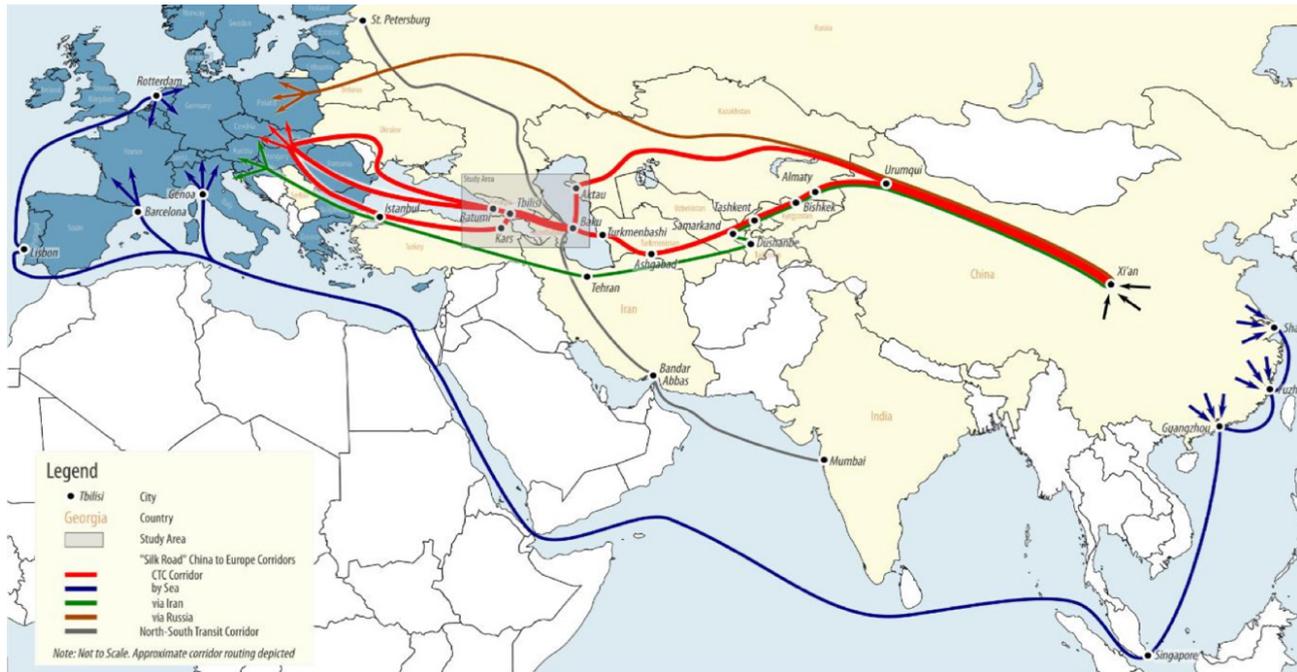
The war and the subsequent ceasefire agreement brokered by Russia can only be described as a spectacular failure by the EU and the US in their many efforts to contribute to stabilisation, confidence building, and conflict resolution in the region through the OSCE Minsk Group and other platforms since 1992. The OSCE Minsk Group format had been the main multilateral framework for negotiations since the end of the First Karabakh War, but it was side-lined this time. Furthermore, France, the co-chairman of the Minsk Group and front representative of the EU in the region has been criticised by Azerbaijan -and Turkey- strongly for its pro-Armenian stand during the second war, thereby weakening its and EU's position in the region.

Over the past decade, the regional powers and the security environment shaped by the interaction between Russia and Turkey have increasingly dealt with issues related to security. Both the EU, which has declared its readiness to contribute to peace in the South Caucasus, and the U.S., where the Biden Administration is stressing its willingness to push for more U.S. presence on the global stage, have significantly weakened in terms of influence when it comes to dealing with hard security issues in the

Map 4: Supply roads across the South Caucasus and around (in 2011)



Source: *The Washington Post*, 2 July 2011, https://www.washingtonpost.com/national/national-security/a-logistics-miracle/2011/07/02/AGZDwnvH_graphic.html.

Map 5: The proposed Trans-Caucasus transit corridor and alternate routes

Source: *Improving Freight Transit and Logistics Performance of the Trans-Caucasus Transit Corridor*, World Bank, <https://openknowledge.worldbank.org/bitstream/handle/10986/33554/Improving-Freight-Transit-and-Logistics-Performance-of-the-Trans-Caucasus-Transit-Corridor-Strategy-and-Action-Plan.pdf?sequence=1&isAllowed=>

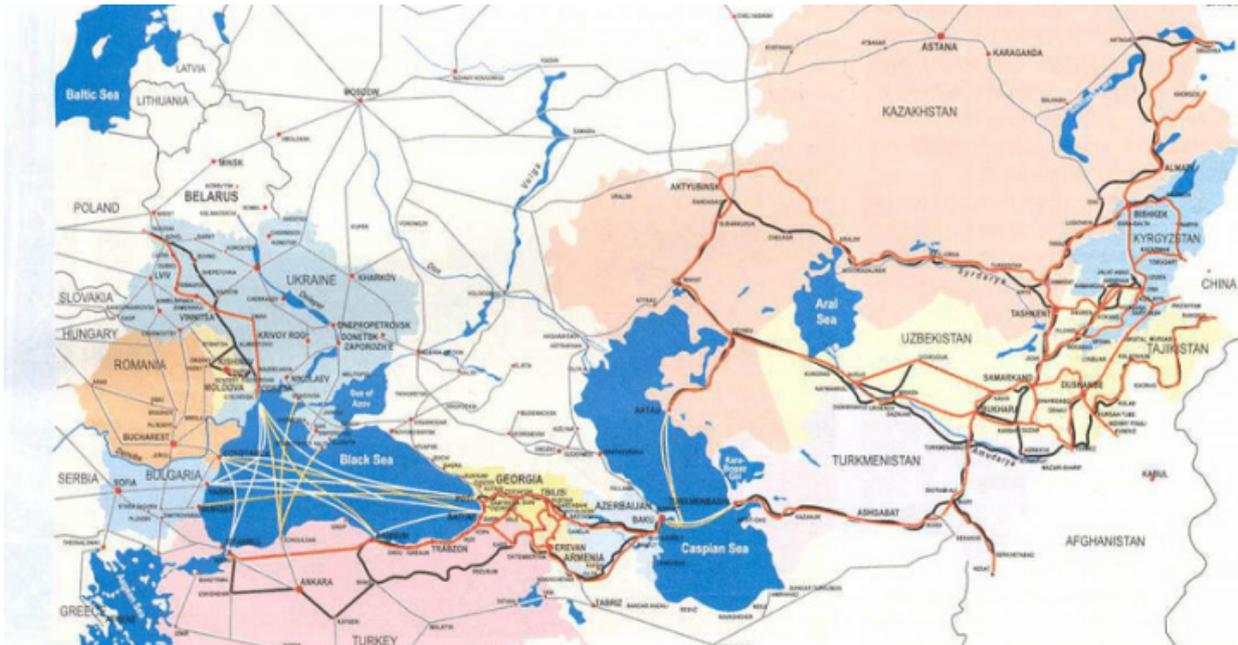
region. However, it must be noted that Russia's ongoing war in Ukraine might change this picture. We see the EU already taking a position in the bilateral negotiations between Azerbaijan and Armenia¹², and the US stepping up in direct negotiations between the two states since May 2023¹³.

As the geopolitical changes since the 2nd NK War have somewhat opened the region, the most likely future change will be experienced in its regional and international connectivity. The outcome of Russia's invasion of Ukraine can have further implications for the degree and extent of interregional connections and might influence the likelihood of realising the different options. Some of the already discussed alternatives within transport corridors, rail connections, and energy supplies routes are summarised below:

1. North-South Corridor: International North-South Transport Corridor, a projected rail route stretching from Finland through Russia to the Persian Gulf and India.
2. Middle Corridor: A route carrying goods between China, Central Asia, Turkey, and the European Union via the South Caucasus.
3. East-West Corridor: A transit route envisioned at the end of the Cold War, carrying energy resources as well as other goods between Europe and Central Asia, going through the Caspian Sea, the Caucasus, and Turkey, eventually linking up with China in the East and Pakistan and India in the South.

12 European Council, *Statement of European Council President Charles Michel following the Second Trilateral Meeting with President Ilham Aliyev and Prime Minister Nikol Pashinyan*, 6 April 2022, <https://www.consilium.europa.eu/en/press/press-releases/2022/04/06/statement-of-european-council-president-charles-michel-following-the-second-trilateral-meeting-with-president-ilham-aliyev-and-prime-minister-nikol-pashinyan/>.

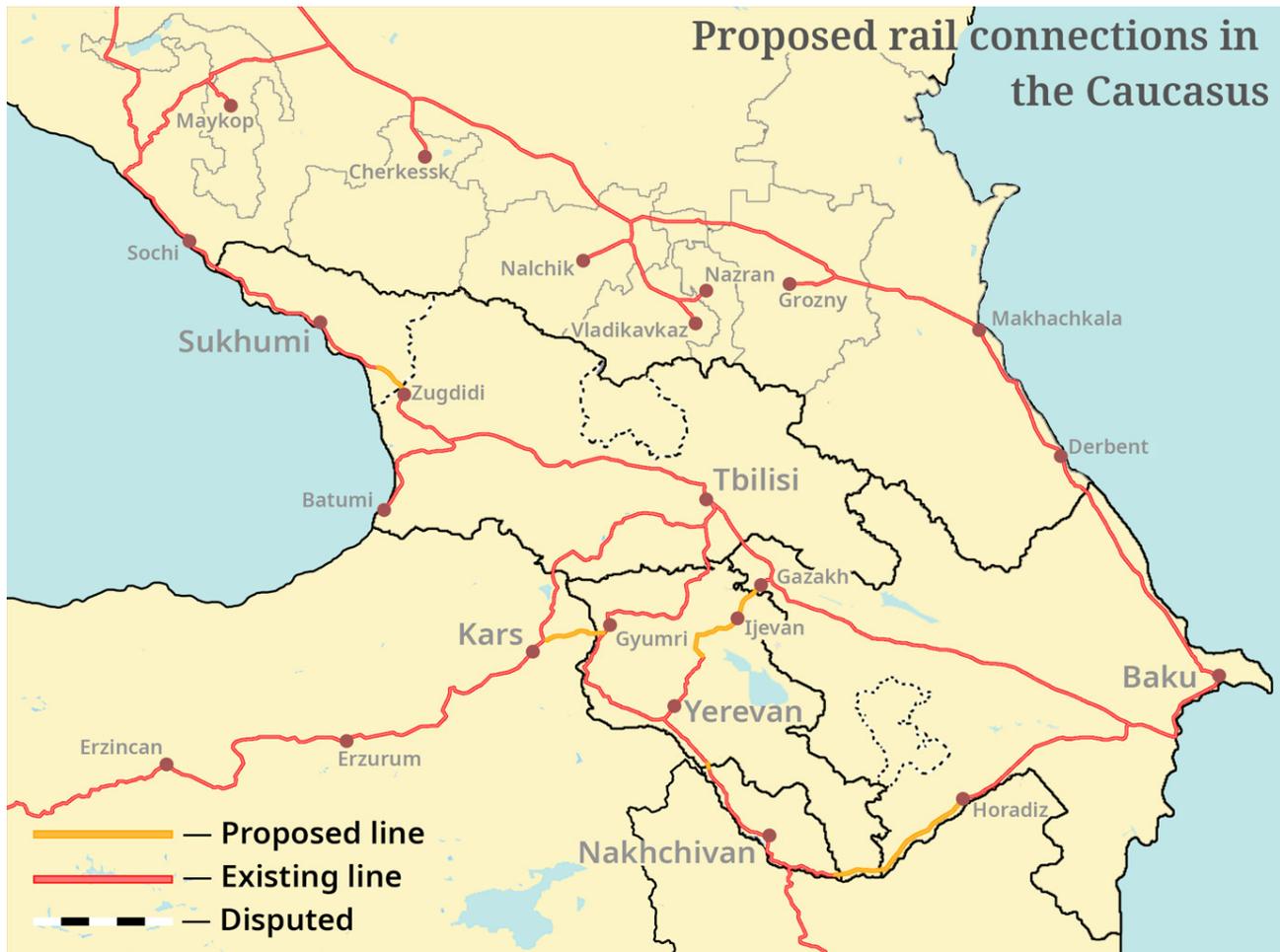
13 Kucera. "For The Ethnic Armenian Leadership In Nagorno-Karabakh, The Walls Are Closing In" *Radio Free Europe/Radio Liberty (RFE/RL) Armenian Service*, 28 June 2023, <https://www.rferl.org/a/armenia-azerbaijan-nagorno-karabakh-leadership-peace-talks/32480945.html>

Map 6: Transport corridors Europe-Caucasus-Central Asia (TRACECA), 2021

Source: <https://aze.media/transport-corridors-europe-caucasus-central-asia-discussed-between-head-of-traceca-and-azerbaijani-foreign-minister/>

4. China's Belt and Road Initiative: Including the China–Central Asia–West Asia Economic Corridor that runs through the South Caucasus, though Beijing has not yet invested in significant infrastructure or transport projects. It has provided sizable funds for transit infrastructure, digital infrastructure, and other projects in Azerbaijan, Armenia, and Georgia.¹⁴
5. The Zangezur (Syunik in Armenian) Corridor: Connecting Nakhichevan with Azerbaijan through Armenian territory encompasses controversy about who will control the route. While Azerbaijan insists on possessing control over the route and points to the Lachin corridor that connects Armenia to Nagorno Karabakh across Azerbaijani territory, Armenia adamantly opposes any Azerbaijani control on its territory, lets it would lead to further claims in the longer term.
6. The Arax(es) Rail Link: The primary railway connection between Azerbaijani and Armenia, built between 1899 and 1940 but damaged and later destroyed during and after the Nagorno-Karabakh War. Azerbaijan announced in February 2021 that it had started reconstructing the line on its territories. Realising this project would put the region at the centre of a future Black Sea–Persian Gulf rail link.
7. Gyumri–Kars railway: Directly linking Armenia and Turkey would facilitate trade between the two countries and between Nakhichevan and Turkey and benefit Azerbaijan, Iran, and Russia.
8. If the Araxes rail link is realised, Iran might need to shelve its costly project for the Astarā–Resht line and instead use its existing rail network through Julfa across the border with Nakhichevan to further connect with Azerbaijani and Armenian lines.
9. Baku–Tbilisi–Kars (BTK) Railway: A massive project that kicked off in 2017, connecting Turkey, Georgia, and Azerbaijan plus Europe to Central Asia and China.
10. Baku–Tbilisi–Ceyhan (BTC) Oil Pipeline: operative from 2006. This pipeline carries oil from Azerbaijan through Georgia to Turkey and then via the Mediterranean to Europe.

14 M. Popkhadze, "China's Growing Influence in the South Caucasus", The Foreign Policy Research Institute, 2021, <https://www.fpri.org/article/2021/11/chinas-growing-influence-in-the-south-caucasus/>.

Map 7: Proposed rail connections in the Caucasus

Source: <https://oc-media.org/features/is-an-interconnected-caucasus-on-the-horizon/>

11. Baku-Tbilisi-Erzurum (BTE) Natural Gas pipelines run parallel to BTC and carry natural gas primarily to Georgia and Turkey. It has the potential to supply Europe with Caspian gas through the planned southern gas corridor and also to carry gas from Turkmenistan and Kazakhstan.
12. Trans-Anatolian Pipeline (TANAP): a section of the Southern Gas Corridor that became operative in 2020. It carries gas from the Caspian Sea through Turkey to Europe.
13. Baku-Supsa oil pipeline runs from the Sangachal Terminal near Baku to the Supsa terminal in Georgia. It transports oil from the Azeri-Chirag-Guneshli field and is operated by British Petroleum (BP). This pipeline's history has been problematic; the Russian invasion of Georgia allowed Russia to take control of a short length of the pipeline, and there have been several spills and thefts. Although there is potential for expansion, there are no plans to date.
14. Trans-Caspian Gas Pipeline (proposed) is a pipeline transporting gas from Turkmenistan to Azerbaijan across the Caspian Sea via an undersea pipeline. It is also known as the South Caucasus Pipeline Future Expansion (SCPFX) due to its connection with the South Caucasus Gas Pipeline.

THE GEOPOLITICAL IMPACT OF RUSSIA'S INVASION OF UKRAINE

Mustafa Aydın and Siri Neset

The consequences of the Russian war on Ukraine are impossible to grasp as the situation is still evolving. However, we do know that the results will be severe and extensive. In general, observers in the South Caucasus (SC) perceive the Russian aggression as a reaction to Ukraine's desire to choose its future, which resonates across the South Caucasus.¹⁵

It is not just the war that poses a risk for the SC countries— even if one considers increased refugee flows, Russian emigration, and escalation in the Karabakh region – it is the different consequences of the various possible post-war scenarios. Regardless of Russian victory or defeat, we will most likely see a bitter, isolated, and weakened Russia that potentially would pose a greater risk vis-à-vis the SC countries, for example, by using frozen conflicts as leverage.

Turkey's regional role might increase as a balancer vis-a-vis Russia, a gateway to the West, and a transport corridor. This possible increased role would be strengthened with the success of the Turkey-Armenian normalisation process. This would open the region, decrease conflict behaviour, and defuse the consequences of Russian spoiler behaviour in using this conflict as leverage.

The Caspian region will become more critical regarding energy supplies and a transport corridor for the EU and Europe.¹⁶ This would imply an enhanced geo-strategic and commercial role on the East-West corridor, from the Caspian Sea to the Black Sea and the Mediterranean, at a critical time when everyone wants to circumvent Putin's Russia. However, much of this depends on the Black Sea security environment, which has been a concern for littoral states for quite some time. The Romanian president first said, "The Black Sea is turning into a Russian lake," in 2005.¹⁷ Then, President Erdogan stated the same in 2016 to NATO Secretary-general Jens Stoltenberg with a more significant impact.¹⁸

Nevertheless, NATO's power in the area has not increased, and Russia has been able to increase its dominance further. Russia strengthened its military build-up in the region after the annexation of Crimea; primarily, it has pursued increased control over the seas surrounding Crimea and eastern Ukraine, particularly the Sea of Azov and the Kerch Strait. Turkey then lost its naval superiority in the Black Sea to Russia.¹⁹ The Russian invasion could cut Ukraine's access to the Black Sea by taking control of the Mariupol and Odesa regions. This will enable Russia to control the entire Ukrainian coastline, landlocking Ukraine and providing a land corridor from Russia to Crimea and Transnistria in Moldova. There were also alarming reports that drifting mines released by Russia have been detected in the Western Black Sea from the Odesa port to the Bosphorus.²⁰ If these reports are valid, this behaviour will seriously damage the prospect of developing the newly discovered oil and gas fields within the Turkish Exclusive Economic Zone (EEZ) and the transport and trade routes in and through the Black Sea.

For Armenia, Azerbaijan and Georgia, the Russian invasion of Ukraine entails (new) security risks to a region already burdened by the security environment following the Second Nagorno-Karabakh

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- 15 Webinar: "Turkey - Armenia - Azerbaijan relations and implications of the war in Ukraine", the Restart Initiative/Daha Yaşlı. 16 March 2022, <https://www.youtube.com/watch?v=apeQFistBdE&list=WL&index=12>.
- 16 J. Roberts and J. Bowden, "Removing Russia from the European gas balance: A major role for Caspian gas", Atlantic Council, 2022, <https://www.atlanticcouncil.org/blogs/energysource/a-major-role-for-caspian-gas/>.
- 17 I. S. Joja, "Dealing with the Russian Lake Next Door: Romania and Black Sea Security", *War on the Rocks*, 2018, <https://warontherocks.com/2018/08/dealing-with-the-russian-lake-next-door-romania-and-black-sea-security/>.
- 18 S. Jones and K. Hille, "Russia's military ambitions make waves in the Black Sea", *Financial Times*, 2016, <https://www.ft.com/content/1b9c24d8-1819-11e6-b197-a4af20d5575e>.
- 19 S. Güvenç and S. Egili, "Changing naval balances in the Eastern Mediterranean: Implications for Turkey", *Turkish Policy Quarterly*, Vol. 15 (1), 2016, pp. 102-103; I. Delanoë, "After the Crimean crisis: towards a greater Russian maritime power in the Black Sea", *Southeast European and Black Sea Studies*, Vol. 14 (3), 2014, pp. 367-382.
- 20 C. Atlamazoglou, "Some of the most dangerous weapons used in Russia's war on Ukraine are starting to float away", *Insider*, 2 May 2022; "Risk of Collateral Damage in the North-Western, Western, and Southwest Black Sea", NATO Shipping Center, 13 May 2022, <https://shipping.nato.int/nsc/operations/news/-2022/risk-of-collateral-damage-in-the-north-western-black-sea-2>.

War. For Armenia, the Russian peacekeeping forces within Nagorno-Karabakh could influence the Armenian government and public opinion in line with Russian interests. Notwithstanding, the general military build-up within Armenia proper might also risk the elected government's degree of self-rule.²¹ For Azerbaijan, one might expect a decreased tolerance on the Russian part for Azerbaijan's geo-strategic role (together with Turkey) regarding energy strategy/policies. Russia might pressure or influence Azerbaijani decision-making by increasing or decreasing its room for manoeuvre in the post-Second Nagorno-Karabakh War environment.²² Georgia might experience a worsening situation in the breakaway regions of Abkhazia and South Ossetia, and Russian attempts to project power through this conflict. Russian propaganda may also increase in Georgia, escalating societal and political polarization. All the countries in the region will have to reduce the consequences of Russian pressures and protect national sovereignty, territorial integrity, and independence. Thus, international laws and regulations regarding territorial integrity must be reinforced for the region. If Ukraine's territory changes due to the war, this would have potentially grave implications for the countries in the South Caucasus by the precedent it entails.

Besides the severe security risks the region may encounter, the South Caucasus has already experienced significant economic pressure due to the war and, mainly, the massive sanctions imposed on Russia. Factors such as the downward spiralling of the Russian Ruble and the decrease in trade and economic activity are taking effect. Furthermore, all three countries have large diaspora communities in Russia that regularly send money back to their relatives; anecdotal evidence suggests a decline in these remittances even before the sanctions came into effect.²³ Russia may also try to use its networks and dependency structures in the three countries to circumvent the sanctions, putting the countries in confrontation with the US, EU, and other parts of the international community.

The South Caucasus has a long history of conflicts and Russian dominance to varying degrees that may now continue and even worsen. Still, there is also the possibility that the shock of Russian actions in Ukraine and the changing international order might change the historical behavioural patterns. In a worst-case scenario, the spill-over effects of the Russian war on Ukraine might lead to further divisions between the countries of the South Caucasus to stay on Russia's good side to avoid Russian aggression and obtain maximum autonomy. In a best-case scenario, the spill-over effects of the war could lead to unification against a common threat.

To illustrate the worst-case scenario, on 22 February 2022, only two days before Russia invaded Ukraine and one day after the Russian recognition of Donetsk and Luhansk as independent states, Azerbaijan signed an agreement with Russia.²⁴ The agreement was an "allied cooperation" agreement. It attempted to bring Azerbaijan's relations with Russia to the level of Armenia-Russia relations and secure Azerbaijan's gains after the second Karabakh War.²⁵ However, the 43-point agreement²⁶ also outlines some points that might hamper Azerbaijan's room for manoeuvre in international relations (points 4 and 7) and its aspiration as an energy supplier with Turkey and the Caspian to Europe route (point 25). The meeting was further described as a humiliation of President Aliyev in how it came about, the meeting procedures, and the meeting date²⁷, i.e., the Treaty of Turkmenchay, which went

21 Webinar: "Turkey - Armenia - Azerbaijan relations and implications of the war in Ukraine".

22 Ibid.

23 D. Sammut, "Ukraine poses a dilemma to the three South Caucasus countries, but they have still one important card they can play", *Commonspace.eu*, 2022, <https://www.commonspace.eu/analysis/ukraine-poses-dilemma-three-south-caucasus-countries-they-have-still-one-important-card>.

24 "Putin signs a decree recognising Ukraine's two breakaway regions", *Guardian News*, 21 February 2022, <https://www.youtube.com/watch?v=jUkrigz3L0Q>

25 L. Yevgrashina, "Azerbaijan hedges bets with regional powers, signs "allied cooperation" accord with Russia", *The Tribune*, 28 February 2022, <https://www.thetribune.com/azerbaijan-hedges-bets-with-regional-powers-signs-allied-cooperation-accord-with-russia/>.

26 "Declaration on allied interaction between the Republic of Azerbaijan and the Russian Federation", *Azerbaijan State News Agency*, 22 February 2022, https://azertag.az/en/xeber/Declaration_on_allied_interaction_between_the_Republic_of_Azerbaijan_and_the_Russian_Federation-2024876.

27 Webinar: "Turkey - Armenia - Azerbaijan relations and implications of the war in Ukraine".

into effect on 22 February 1828. The Persian Empire ceded the control of several areas in the South Caucasus to Russia, including the territory now south of the Republic of Azerbaijan.

However, there have been some developments that reflect a better scenario. One such event is the evolving bilateral peace talks between Armenia and Azerbaijan, facilitated by the EU and without Russian involvement (although Moscow is not expected to step aside).

Following on from a meeting between senior representatives from Armenia and Azerbaijan coordinated by the EU in Brussels on 30 March 2022, another meeting was held on 6 April, after which the European Council President Charles Michel said: “The leaders of Armenia and Azerbaijan have met and agreed to “rush toward a peace agreement.”²⁸

Furthermore, the fact that the three South Caucasian countries share many challenges from Russia could potentially be a unifying force. For the time being, though, such a process lacks a suitable platform which is probably needed given that the region has had few experiences of cooperation²⁹ - the exception being during the Soviet era when the countries were closely integrated but isolated from the outside world.³⁰

It remains to be seen if US negotiation efforts of spring 2023 might help unify the three countries and provide the required platform to further regional and international policy and trade collaboration.³¹

28 European Council, “Statement of European Council President Charles Michel following the Second Trilateral Meeting with President Ilham Aliyev and Prime Minister Nikol Pashinyan”, 6 April 2022, <https://www.consilium.europa.eu/en/press/press-releases/2022/04/06/statement-of-european-council-president-charles-michel-following-the-second-trilateral-meeting-with-president-ilham-aliyev-and-prime-minister-nikol-pashinyan/>.

29 T. de Wall, “A Broken Region: The Persistent Failure of Integration Projects in the South Caucasus”, *Europe-Asia Studies*, Vol. 64 (9), 2012, pp. 1709-1723.

30 Ibid.

31 “Continued Peace Talks Between Armenia and Azerbaijan”, US Department of State, Press release 30 May 2023 <https://www.state.gov/continued-peace-talks-between-armenia-and-azerbaijan/>

NATIONAL PERSPECTIVES ON THE CHANGING GEOPOLITICS

Armenian perspectives

Richard Giragosian

The geopolitical landscape of the South Caucasus has undergone a significant shift in the wake of the war for Nagorno Karabakh that erupted in September 2020. The post-war reality has left the region in uncharted territory. Specifically, the unprecedented vulnerability in the area led to Armenia and Azerbaijan accepting the terms of a Russian-crafted agreement in November 2020 that effectively ended the war and triggered the immediate deployment of 2000 Russian peacekeepers to the region for an initial five-year deployment. The agreement introduced a cessation of fighting, consolidated significant territorial gains by Azerbaijan, and affirmed Armenia's defeat. While the acceptance of the agreement saved lives and preserved the remaining territory of Nagorno Karabakh in the hands of the local Armenians, the conflict remains unresolved with several outstanding questions, ranging from the status of Karabakh to the terms of the withdrawal and possible demobilisation of the Karabakh armed forces, making further diplomatic negotiations essential to ensuring security and stability.

Given the lack of preparation of Armenian society for the severity and scale of the losses from the 2020 War, the government of Nikol Pashinyan faced an immediate series of protests, leading to calls for the prime minister to resign and demanding accountability. Against a simmering shock over the losses from the war, the challenges from an already polarised Armenian society seemed likely to end Armenia's experiment with democracy. Yet since he came to power after the "Velvet Revolution" of 2018, Prime Minister Pashinyan has demonstrated impressive resilience. As the Armenian leader who has "lost Karabakh", Pashinyan weathered a severe crisis, facing a revolt from his senior military officers and forcing an early election in June 2021.

The June 2021 re-election not only re-granted Pashinyan legitimacy with a fresh mandate in the newly elected Parliament but also weakened the chance for a political comeback by the old-guard authoritarian leaders that were ousted in 2018. It also instilled self-confidence and allowed the Pashinyan government to embark on a new strategic leadership course capable of adapting to post-war reality. Yet, such optimism has proven premature as Armenia struggles with challenges. With sporadic clashes along the Armenian-Azerbaijani border, post-war instability has increasingly been driven by a widening of the battlespace well beyond the confines of the Nagorno-Karabakh conflict. This expanded context of the conflict poses a new threat to broader regional stability in the South Caucasus.³²

Armenia still faces several general challenges, including a prolonged war, overcoming post-war state paralysis, and early elections. We elaborate on these challenges below.

1) *A prolonged state of war.* Armenia remains constrained by a prolonged state of war, driven by two pressing issues: uncertainty over the urgent necessity to secure the full release of Armenian prisoners of war and non-combatant civilians from Azerbaijani captivity and insecurity from a series of border incursions by Azerbaijani military units that began in May 2021 along with several contested areas on the Armenian-Azerbaijani border. This virtual state of war is further exacerbated by the delayed resumption of diplomatic negotiations necessary to transform the fragile Russian-imposed ceasefire agreement of November 2020 into a more durable peace agreement over Nagorno Karabakh.

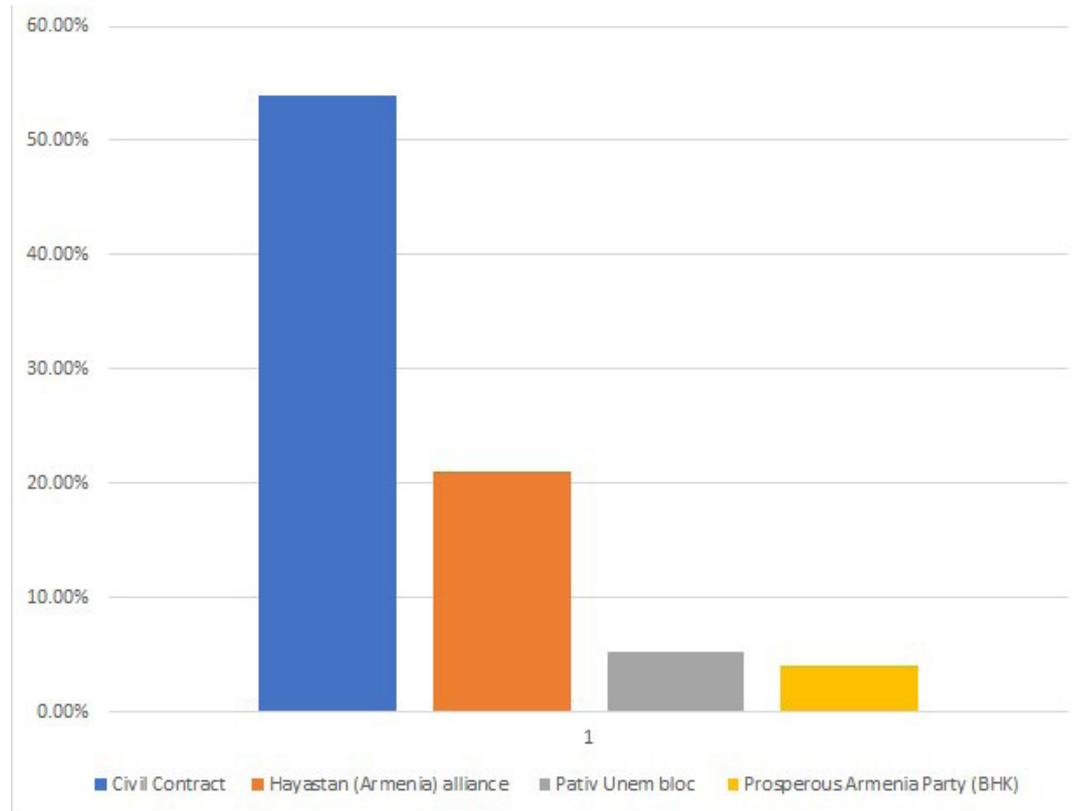
2) *Overcoming post-war state paralysis.* With limited diplomatic engagement with Azerbaijan for several months after the war's end, Armenia was unrestricted by a lack of accountability for the unexpected defeat in the war and a pronounced perception of state weakness and paralysis. This was seen in the Armenian government's failure to adapt to the post-war reality, the absence of a new diplomatic strategy, and a failure to adjust the country's military posture or defence reform, contributing to a "state

32 See H. Buniatian, "Pashinian Discusses 'Azeri Incursion' At Security Council Meeting," *Radio Free Europe/Radio Liberty (RFE/RL) Armenian Service*, 15 November 2021, <https://www.azatutyun.am/a/31562022.html>.

of denial.” Despite achieving hard-fought democratic gains since coming to power, the government’s inadequate response to the demands of the post-war crisis has also fostered a perception of state paralysis.

This was exacerbated by the delayed resumption of diplomatic negotiations and uncertainty over the vague and incomplete terms of the Russian-imposed agreement that ended the war. Although that agreement resulted in an essential cessation of hostilities that allowed for deploying a Russian peacekeeping force to Nagorno Karabakh, it fell far short of either a peace deal or a negotiated resolution to the conflict itself. Moreover, it deferred the status of Nagorno Karabakh to a later stage of diplomatic negotiations and left several important issues unanswered, such as military demobilisation and border demarcation.

Table 2: Armenian parliamentary election results



3) Moving to early elections. The domestic crisis was further marked by political polarisation that fostered a stalemate between a largely unpopular and discredited opposition and a government with no viable replacement. A reluctant recognition led Prime Minister Pashinyan to accept the necessity for early elections in June 2021 to diffuse the domestic deadlock. The polls were also characterised by intense polarisation and increasingly inflammatory language.³³

Nevertheless, with the return of former President Robert Kocharian as the frontrunner of the opposition’s attempt to unseat Pashinyan, the election was defined by a contest of personalities rather than a competition of policies. For the Armenian electorate, it was also a choice between an appeal to the authoritarian “strong man” leadership of the past versus continued confidence in the democratic reforms of the Pashinyan government.

Despite some expectations of a more competitive contest, the opposition failed to pose a significant challenge to the incumbent government. Nikol Pashinyan emerged with an impressive victory with

³³ Ibid.

nearly 54 % of the vote, securing a decisive majority of 71 seats in the 107-seat parliament.³⁴ The election renewed the incumbent government's legitimacy, political stability, and democratic resiliency.

The new post-war environment

After the war's end, there were many questions about what came next, with no clear answers and even fewer certainties. When Armenia accepted the terms of a Russian-imposed agreement that ended the war, it also ceded territory to Azerbaijan. While the agreement halted the fighting, it also raised several questions over the "status" of the Nagorno-Karabakh Armenians, their sovereignty or autonomy, and their legal standing.

In the first meeting between the Armenian and Azerbaijani leaders since the start of the war in late September 2020, Russian President Vladimir Putin succeeded in brokering a preliminary resumption of diplomatic negotiations. The 11 January Moscow meeting between Azerbaijani President Ilham Aliyev and Armenian Prime Minister Nikol Pashinyan focused on restoring trade and transport links, including granting Azerbaijan access to its exclave Nakhichevan through Armenian territory. All sides assented to creating a tri-partite "working group" on a deputy ministerial level to manage the "practical modalities of restoring transport links between Armenia and Azerbaijan."

The weakness of the Armenian side allowed Azerbaijan to dictate terms in this first return to the diplomatic arena, including protesting the visit of the Armenian foreign minister to Karabakh. For his part, Russian Foreign Minister Sergei Lavrov was firm in dismissing Azerbaijani protests but warned Armenian officials against "emotional" statements when visiting Karabakh.³⁵ The Russian foreign minister also specifically downplayed any urgency to settling the "status issue" of Karabakh, explaining that Moscow prefers to "leave it to the future" and to instead focus first on "confidence-building measures" and other issues.³⁶ Armenia conceded by agreeing to defer the status issue to the later stages of negotiations, but with a focus on the return of all prisoners and detainees, practical confidence-building measures, and de-escalation as immediate concerns.

Despite the post-war tension and insecurity, there were two crucial breakthroughs. The first came in September 2021 with a meeting of the Armenian and Azerbaijani foreign ministers on the sidelines of the United Nations General Assembly meeting in New York. With the OSCE Minsk Group co-chairs, this meeting marked an essential return to diplomacy between Armenia and Azerbaijan. This resumption of diplomacy, which included a planned visit to the region by the OSCE Minsk Group, is crucial to widening post-war security in the wake of border tensions since May 2021. A follow-up ministerial meeting was held in Paris in early November 2021. Such diplomatic re-engagement offers more than a reliance on negotiations over the force of arms and acts to lessen the risk of resumed hostilities and paves the way for continuing the return of Armenian prisoners from Azerbaijani captivity.

The issue of returning prisoners from Azerbaijan is critical for Armenia and is an emotional element contributing to the Armenian perspective of an ongoing war. The continued holding of the prisoners contributes to an atmosphere of mistrust, especially as the Armenian side returned all Azerbaijani prisoners immediately after accepting the ceasefire agreement.

Some observers see the 45-day war as a victory for Turkey as much as for Azerbaijan. This view stems from the Turkish military's unexpectedly direct engagement in waging war. Although this effort succeeded in seizing large areas of territory and capturing parts of Nagorno Karabakh for Azerbaijan, several factors diminished the possible gains for Turkey. There were some unexpected results for Turkey after Russia's belated engagement, which could be seen in the controversy over Russia and Turkey's future peacekeeping missions in the region. Moscow seems to have reneged on its earlier promise of a more direct role for Turkish peacekeepers. The final role for Turkey appeared more symbolic, with a

34 For more on the election outcome, see R. Giragosian, "Assessing Armenia's post-war election", *New Europe*, 23 June 2021, <https://www.neweurope.eu/article/assessing-armenias-post-war-election/>.

35 A. Babayan, "Deal on Karabakh's Status Not Urgent for Russia", *Radio Free Europe/Radio Liberty's (RFE/RL) Armenian Service*, 18 January 2021, <https://www.azatutyun.am/a/31051257.html>.

36 Ibid.

minimal position in peacekeeping planning and supervision in Azerbaijan. This effectively gave Russian peacekeepers the dominant role in the region.

Yet, at the same time, Turkey regained its lost role as the primary military “patron state” for Azerbaijan, replacing Russia as the leading arms provider and source of weapons. This was also matched by a “power exchange” defined by a deeper trend of a shifting balance of power, with a resurgent Turkey empowering a confident Azerbaijan after the successful military campaign against Nagorno Karabakh. For Armenia, the primary perception is that despite unprecedented military support for Azerbaijan, Turkey came away from the 2020 war with less than expected. In some way, that Armenian perception has allowed the Pashinyan government to begin efforts to pursue normalisation with Turkey in late 2021.

Challenges/constraints and opportunities for regional cooperation

Despite the ceasefire agreement in November 2020 that ended the 45-day war, post-war stability and security has been undermined by three factors:

1. First, the absence of diplomatic negotiations between Armenia and Azerbaijan exacerbates the fragility of the ceasefire agreement. It poses a significant obstacle to transforming the ceasefire into a peace agreement.
2. Second, the tenuous position of Nagorno Karabakh and the physical security of the Armenian population of Karabakh are overwhelmingly dependent on the presence of Russian peacekeepers.
3. Third, the lingering burden of Armenian POWs is still in Azerbaijani captivity. Despite the November 2020 ceasefire agreement, which called for exchanging all POWs and prisoners, Azerbaijan has repeatedly resisted, offering only partial releases of small numbers of Armenians.

Against this backdrop, there is also a more recent crisis of insecurity. This was triggered in May 2021 with an escalating confrontation between Azerbaijan and Armenia consisting of border disputes and a series of border incursions by Azerbaijani units into Armenian territory.

Map 8: Reports of Clashes as of May 13, 2021



Source: Radio Free Europe/Radio Liberty

The insecurity also triggered a Russian military build-up in southern Armenia and at strategic points along the Armenian border with Azerbaijan. Although separate and distinct from the Russian peacekeeping operation in Nagorno Karabakh, this expansion of the Russian military presence secures the Russian role in controlling and managing the potential restoration of regional trade and transport links, including the planned establishment of road and railway links between Azerbaijan and its exclave Nakhichevan through southern Armenia.

The enhanced presence further means a subsequent control of the Armenian border with Azerbaijan by Russian border guards, a development with strategic implications, as an inherent threat to Armenian sovereignty and independence given existing Russian control over two of Armenia's four external borders: complete control over the Armenian-Turkish border and supervisory authority and oversight of Armenia's border with Iran.

More broadly, the escalation of tension along the Armenian-Azerbaijani border is part of a trend of increasingly serious confrontation, which began in May 2021 with an incursion of Azerbaijani military personnel and then escalated with the interference over Iranian trucks passing through southern Armenia. In this context, it is notable that this escalation has little direct relationship with either the Nagorno-Karabakh conflict or the Russian peacekeeping presence. Instead, the tension between Armenia and Azerbaijan poses a new challenge from a broadening of post-war confrontation to a bilateral dimension. This escalation is significant for three reasons:

1. First, the tension on the ground and sporadic clashes have revealed a dangerous disconnect between more positive signs of progress on the higher level of diplomacy between the heads of state and developments on a local level. This is especially worrisome as local forces on the ground may seriously impede efforts by the leaders to de-escalate tension and move forward with essential steps seeking post-war stability.
2. Second, there is a concern over implementing the looming preliminary agreement on restoring regional trade and transport. In this context, the viability of the planned first-stage agreement offering Azerbaijan new road and railway links to its exclave of Nakhichevan may be impacted by an absence of security on the ground.
3. Third, the escalation of tension also erodes recent gains and progress in a "return to normalcy," marked by a more predictable and calmer post-war environment. Such an environment is essential for successfully resuming diplomatic engagement and establishing confidence-building measures between Armenia and Azerbaijan.

Despite the promise of diplomatic re-engagement, Azerbaijan's counter-productive maximalist stance and Armenia's still not fully adjusted position to the post-war reality have led to three troubling trends:

1. The military victory for Azerbaijan suggests a dangerous confirmation of "might make right," with the war being seen as a validation of force of arms based on an acceptance of applying a military solution to the Nagorno Karabakh conflict.
2. An unfortunate result of the war was the perception of the inherent weakness of democracy, as seen by the military victory of a larger, more powerful authoritarian state over a small infant democracy. In addition to the broader lesson, this will weaken and imperil continued democratisation, political will, and commitment to reforms in Armenia.
3. The post-war geopolitical context raises concerns over the future of regional security and stability, considering Russia's unilateral deployment of peacekeepers and the return of Turkey as Azerbaijan's primary military patron state. Azerbaijan will be challenged to maintain its precarious balance between Turkey and Russia. At the same time, the inherent rivalry between Ankara and Moscow may only resurface, with the South Caucasus serving as the arena for a new competition between regional powers, which could trigger a response from Iran.

A breakthrough in the relationship between Azerbaijan and Armenia came when the meetings of the tripartite working group on regional trade and transport resumed, and Armenian Deputy Prime Minister Mher Grigoryan reported significant progress in these talks. Armenia initially suspended the meetings in response to Azerbaijani border incursions in May due to Baku’s intransigence over the return of prisoners. More specifically, the working group’s resumed negotiations resulted in an essential preliminary agreement reaffirming Armenian sovereignty over all road and railway links between Azerbaijan and its exclave Nakhichevan through southern Armenia. It also confirmed unilateral Russian control and road and rail traffic supervision, including legal customs control and access provisions.³⁷ The successful agreement over the restoration of regional trade and transport is limited to the links between Azerbaijan and Nakhichevan as the first stage, however, with the planned reconstruction of the Soviet-era railway link and the construction of a highway.³⁸

The broader second stage of regional trade and transport encompasses a more expansive (and significantly more expensive) strategy that includes the reopening of the closed border between Turkey and Armenia and the restoration of the Soviet-era railway line between Kars and Gyumri, as well as the eventual extension of the Azerbaijani railway network to allow Armenian rolling stock from southern Armenia through Baku on to south Russia.

Map 9: Plan to revive old Soviet Railway



Source: Radio Free Europe/Radio Liberty

37 These legal provisions reportedly consist of 300 documents derived from the Commonwealth of Independent States (CIS) Legal Framework and the Eurasian Economic Union (EaEU).

38 The rather ambitious terms of the agreement envision road construction and railway restoration over a period of 2-2.5 years, with an additional lack of clarity over financing.

Discussions in this tripartite working group include a Russian pledge to provide a new gas pipeline running through Azerbaijan to deliver Russian natural gas to Armenia, partly as an alternative to Armenian dependence on the Russian sole gas pipeline from Russia that runs through Georgia. The tri-partite (Armenia, Azerbaijan, and Russia) working group of regional trade and transport stands out as the only area of progress. It represents a “win-win” scenario for post-war stability, with the economic and business opportunities significant for Armenia in overcoming isolation, Azerbaijan in developing the regained districts, and Russia, which now controls regional integration. However, the lack of specific information on the status of the talks increases the risk of misinformation or disinformation. Additionally, with Russian management of the process, there is an added danger of external manipulation, with both Yerevan and Baku vulnerable to Moscow’s agenda.

Armenia as an actor in the South Caucasus region

For a small country like Armenia, one of the more critical challenges is to attain a degree of relevance and strategic significance. As a landlocked country in a relatively remote region, garnering recognition and bearing has been difficult. In addition to the lingering tension with Turkey, the simmering conflict with Azerbaijan and the mounting unreliability of Russian patronage, the Armenian foreign policy has been defined by its historical understanding as a state founded on the survival of a genocide.

There are several fundamental limits and challenges to the defence and development of Armenian statehood. The first of these limits is seen in the country’s unforgiving geography, as the lack of secure access to the World seas has contributed to its isolation as a “landlocked” country. Second, the geographical limits also pertain to neighbouring countries, as two of the country’s four borders remain closed. These geographical constraints have magnified the importance of Georgia as the main route for Armenian exports and imports, especially given the limits of using Iran as an effective alternative. They have also led to the development of a “siege mentality” within Armenia.

This reality of inherent limitations and challenges has spurred the need for Armenian foreign policy to seek greater space for manoeuvre, demonstrated by the strategy of complementarity, which strives for strategic balancing and greater options. Despite some setbacks and mistakes, this “small state” strategy has generally managed to mitigate the damage from gradual over-dependence on Russia and maximise opportunities. The latter success in seizing opportunities was most evident in Armenia’s rare second chance to regain and restore strategic relations with the European Union (EU), such as with the successful negotiation and conclusion of the Armenia-EU Comprehensive and Enhanced Partnership Agreement (CEPA). As a country coerced to sacrifice its earlier Association Agreement and related Deep and Comprehensive Free Trade Area with the EU in favour of joining the Russian-dominated Eurasian Economic Union (EaEU), this was a significant achievement.

Armenia seems to be moving quickly to embrace a more forward-looking strategy toward Europe due to an updated understanding of the limits within the EU’s Eastern Partnership program and perceived changed dynamics between EU member states. This policy is expressed through an approach to pursuing closer ties with Germany and France. While it is based on an assessment that Germany is the most influential economic actor within the EU, it is also rooted in recognition of the emerging role of France as a pivotal geopolitical power, especially as French President Macron is emerging as the primary driver of EU foreign and security policies in post-Merkel Europe. Although both factors seek to exploit Armenia’s special relationship and close ties with both countries, it is also in part a response to a recent French initiative to engage Russia, which Armenia sees as an opening and opportunity to forge a more significant role as a strategic “bridge” or “platform” to guide closer EU ties to both Russia and the Eurasian Economic Union (EaEU).

Conclusion: An Armenian perspective

Since Armenia's Velvet Revolution in 2018, democracy has been strengthened by two back-to-back free and fair elections. Yet, despite substantial gains in reform and achievements in consolidating its democracy, Armenia's credentials were not enough to safeguard the country from the impact of the 2020 war for Nagorno Karabakh. Most significantly, the war posed dangerous and distressing precedents for Armenia, standing out as a destructive demonstration of a victory of authoritarian Azerbaijan while seemingly reaffirming that there was a military solution to a political conflict.³⁹ If left unchallenged, these dangerous precedents undermine Western values and elevate the force of arms over diplomacy.

Post-war Armenia now faces a new challenge from the Russian invasion of Ukraine. For over twenty years, Armenian foreign policy has been defined by a pursuit of "complementarity", where Armenia struggled to maintain a strategic "balance" between its security partnership with Russia and its interest in deepening ties to the EU and the West. This policy has been difficult to maintain over the years, especially given the underlying trend of Armenian dependence on Russia, driven by security and military ties.⁴⁰ Since the Second Karabakh War, the limits of Russian security promises to Armenia have become open and obvious. But with the Russian invasion of Ukraine, Armenia now faces an even more imposing and perhaps impossible challenge to meet Moscow's expectations for loyalty and support for Russian aggression against Ukraine. In the case of Armenia, however, concern and worry are somewhat offset by two factors.

First, the lack of direct military involvement in the Russian invasion provides Armenia with a degree of safety from the imposition of punitive measures and sanctions. However, there is a risk of Armenia becoming subject to secondary sanctions if Russian attempts to utilise Armenia to subvert or sidestep sanctions on Russian companies.⁴¹ The Armenian government is expected to try hard to avoid such risk given their demonstrable success in conforming to similar Western sanctions against Iran and considering past precedents of Western sanctions imposed on Russia for its 2008 war in Georgia and its seizure of Crimea in 2014, which never included Armenia.

Second, Armenia benefits from the advantage of geography. Armenia is over 1400 kilometres from Ukraine's conflict zone and has no land border with Russia. As such, the country is far removed from the conflict and is not engaged in Russia's war against Ukraine in any form.

For Armenia, both in terms of lessons for and from the war in Ukraine, perception is as important as reality, as defined by two reactions to the Russian invasion of Ukraine: First, a demonstrable double standard in both the media coverage and the concerted Western response to the war in Ukraine, in stark contrast to both elements of the 2020 war for Nagorno Karabakh. Second, despite significant differences and the distinctly different contexts between the Ukrainian and Karabakh wars, the Russian invasion of Ukraine has triggered a strong Western reaction that imposed punitive costs and sanctions against Russian aggression that were never invoked against Azerbaijan for the war in 2020.

Moreover, there is a certain degree of Armenian vulnerability comprised of four factors:

1. Armenia is exposed to competing and contradictory demands from Russia for loyalty and submission, against expectations from the international community to stand against Russian aggression. This poses a strategic risk of Armenia's isolation on the wrong side of history, misperceived as a supplicant state or pro-Russian vassal.

39 R. Giragosian, D. G. Lewis & G. P. Herd, "Russian Crisis Behavior, Nagorno-Karabakh and Turkey?", *Marshall Center Security Perspectives*, No 19, January 2021, <https://www.marshallcenter.org/en/publications/perspectives/russian-crisis-behavior-nagorno-karabakh-and-turkey-0>.

40 R. Giragosian, "Armenia's transition: The challenges of geography, geopolitics and multipolarity," in L. Broers and A. Ohanyan (eds.), *Armenia's Velvet Revolution. Authoritarian Decline and Civil Resistance in a Multipolar World*, London, I.B. Tauris, 2020.

41 A. Khulian, "Russian Firms Relocating to Armenia, Says Minister," *Radio Free Europe/Radio Liberty (RFE/RL) Armenian Service*, 1 March 2022, <https://www.azatutyun.am/a/31730405.html>.

2. In the face of more restricted room to manoeuvre and fewer options under Russian pressure, Western commitment to Armenia is in danger of coming into question, with a lack of Western understanding and patience, greater Russian intolerance, and diminished strategic significance of Armenia. These factors could enhance Armenian timidity and trepidation regarding Russia and impact Armenian commitment to the West.
3. In that context, a third factor stems from the reality that the accidental “convergence of interests” between Russia and the West that was defined by a shared interest in post-war stability in Nagorno Karabakh no longer holds, with likely developments that include the demise of the OSCE Minsk Group as a mediating diplomatic format, new doubt over Russian support for Armenia-Turkey “normalisation,” and a questionable Russian commitment to the restoration of regional trade and transport in the future, as well as a more bleak outlook for a Russian-supported process of border delineation and demarcation between Armenia and Azerbaijan.
4. The broader danger for Armenian domestic reform and democracy is the onset of new Russian pressure and a new Russian policy framework using post-war Armenian insecurity and Nagorno Karabakh as a key “pressure point” while leveraging Karabakh as the most attractive commodity to barter with Azerbaijan and Turkey.

In response, Armenian foreign policy has embarked on a more delicate diplomatic positioning, jockeying between placating and mollifying Russia while maintaining a bare minimum of support and commitment to the Russian side. This adaptive diplomatic response relies on a tactical policy of employing “strategic silence”, designed to do and say as little as possible while avoiding any open or outright defiance of Moscow. This is most clearly seen in the lack of statements by the Armenian Prime Minister or Foreign Minister. Instead, the Foreign Ministry spokesperson issued a diluted statement of support for a “diplomatic resolution” to Russia’s conflict with Ukraine. From this perspective, Armenia also exercises abstentions in key diplomatic votes in the UN and Council of Europe.⁴²

However, there are limits to the success of such “strategic silence” by Armenia, as demonstrated by Armenia’s reluctant vote in the Council of Europe against the move to suspend Russia from that body.⁴³ Although Armenia’s position, as the only other country besides Russia to oppose that move, dangerously isolates it, there was little choice and even less of an alternative for Armenia.⁴⁴ The danger now is that as Russia demands more significant support and open loyalty from Armenia, the diplomatic balance may be lost, threatening to push Armenia into a vulnerable and even more isolated position.

Beyond possible Russian demands for stricter Armenian submission, there is a genuine risk of Armenia facing a more assertive Russian policy to limit each of its neighbours’ sovereign choices and strategic options. This likely Russian pursuit of tightening control over the “near abroad” as a Russian-dominated “sphere of influence” may impose new limits and invoke greater demands on Armenia’s developing ties to the West while threatening to overturn hard-fought gains in Armenian democracy.

42 “Armenia Abstains from UN Vote on Ukraine,” *Radio Free Europe/Radio Liberty (RFE/RL) Armenian Service*, 3 March 2022, <https://www.azatutyun.am/a/31734729.html>.

43 For more, see A. Avetisyan, “Armenia stands alone in support for Russia in Council of Europe,” *OC Media*, 26 February 2022, <https://oc-media.org/armenia-stands-alone-in-support-for-russia-in-council-of-europe/>.

44 N. Nalbandian, “Yerevan Defends Opposition to Council of Europe Action against Russia,” *Radio Free Europe/Radio Liberty (RFE/RL) Armenian Service*, 1 March 2022, <https://www.azatutyun.am/a/31730695.html>.

Azerbaijani perspectives on the geopolitical situation

Ayça Ergun

The outcome of the Second Karabakh War changed Azerbaijan's perception of regional security structure and cooperation. It pushed Baku to modify its diplomatic language and international engagement, which had been developed based on the outcomes of the First Karabakh War in the 1990s, where the occupied territories were the number one issue on the agenda.

First, despite three decades of international engagement and diplomacy, Azerbaijan's clear military victory realised what Azerbaijan had not earlier. The Second Karabakh War led to the de-occupation of many territories under the effective control of Armenia⁴⁵ and broke the deadlock of diplomacy over the Karabakh issue.

Second, Azerbaijan perceives a shift in the regional security environment. Along with Russia, Turkey is now a key player in the post-war situation. Turkey has provided military, political, and energy infrastructure support to Azerbaijan since the 1990s, primarily with U.S. support and Western engagement. However, Ankara had no serious voice in the Nagorno-Karabakh conflict other than the border closure with Armenia, which was part of Baku's policy to isolate Armenia from regional projects during the occupation.

Third, Russia has obtained some leverage over Azerbaijan. Specifically, Russia now has an armed contingent stationed in Azerbaijan's territory. The absence of Russian military forces has been a point of pride for Baku since their eviction in the early 1990s. The current Russian military contingent of peacekeepers is in place until 2025, with the chance of further extension. According to many among the Azerbaijani governing elite, after the failure of a diplomatic solution in 2014 and the previous clashes, the only possibility for a peaceful resolution is to allow Russian peacekeepers in the country in exchange for Moscow's support to Baku and pressure on Yerevan. This led to the difference between the Madrid Principles and the modified Russian version, which suited Baku's interests. The elite also saw the West as absent in conflict resolution long before the 2020 war. This was complemented by the apparent unpreparedness of the OSCE Minsk Group members to create a multinational peacekeeping force, which usually falls under its mandate to monitor and guide the relevant OSCE institutions such as the High-Level Planning Group.

In the post-war era, Azerbaijan saw more positive geopolitical trends (i.e., not Russian monopolisation) because of the increased Turkish role and influence in the region. At the same time, Azerbaijani authorities are sympathetic to Western involvement in the post-war situation, not to 'balance' Russia but to support the region's development and help Baku and Yerevan achieve final peace. However, today there remain lingering suspicions, but not definite dismissiveness, regarding the reliability of Western involvement based on the disappointment of the 1990s.

The ongoing war in Ukraine is both challenging and disturbing for most if not all, countries of the former Soviet Union. How the regional governments perceive this is somewhat different from the "outsiders." Particularly for the countries that declared their independence through popular movements, the Russian Federation constitutes the primary "other." This perception entails hostility, fear, and an existential threat, particularly concerning territorial integrity and sovereignty. Although Azerbaijan managed to preserve its balancing relationship with Russia, the Georgian case and the Russian invasion of Crimea can be considered a warning and a threat. In practice, this balancing means that Russian hegemony in the region needs to be acknowledged, and criticism of Russia should be avoided. In addition, Azerbaijan needs to preserve a working relationship with Western counterparts without being seen as too pro-European and/or pro-American. At the same time, try to form strong alliances with Turkey and Georgia.

45 The European Court of Human Rights found that Armenia exercised effective control over Nagorno-Karabakh and the surrounding territories. See *Chiragov and Others v Armenia* (no. 13216/05) [Article 1 Protocol 1, Article 9, Article 13, Article 14; 16 June 2015], <https://www.asylumlawdatabase.eu/en/content/grand-chamber-displaced-refugees-lack-access-property-following-nagorno-karabakh-conflict>.

Since Azerbaijan has suffered dramatically due to the Karabakh conflict throughout its history of independence, it can easily sympathise and empathise with Georgia and Ukraine. Although dozens of statements were made to support the territorial integrity of Ukraine before the war, Azerbaijan today provides “silent support” to Ukraine with humanitarian aid. Azerbaijan still seeks a neutral and balanced position in this new environment and is mindful of Russian military forces on its territory.

While Russia has increased its power and role in regional affairs, Azerbaijani decision-makers believe, perhaps erroneously, that Russian peacekeepers will leave the region within ten years. They do, however, not think that a balancing policy against Russia with Western engagement, as was the case in most of the 1990s, is the right move today. The current environment requires direct contact with Moscow and convincing Russian leaders of the importance of a mutually acceptable solution, which will also consider Russia’s indirect influence in regional affairs.

The rise of Russian influence also reduced the role and impact of Iran. Iran has a 130 km border with Azerbaijan. Until 2020, this border was mainly under Armenian occupation, which Tehran indirectly used as leverage against Baku. As the newly developing geopolitical realities removed this advantage, it also liberated Baku’s foreign policy choices.

Finally, according to Azerbaijani decision-makers, Turkey now has a stronger voice in regional affairs. Thus, Western authorities cannot ignore Ankara’s role and interests in Brussels or Washington. Irrespective of the reality on the ground, this is the general perception among the Azerbaijani authorities. As such, they may attribute a higher status to Turkey than the reality accord.

During the history of the conflict, Azerbaijan was particularly privileged because Turkey refused to establish bilateral diplomatic relations with Armenia. This is considered an expression of unconditional support and was highly appreciated. This has been widely expressed and underlined by the ruling elite and policy circles, as well as by public figures, academics, and civil societal actors. Particularly in the early years of independence, this support was considered a symbolic act to strengthen the statehood to support the principles of inviolability of the borders and territorial integrity. One of the significant factors which harmed this feeling of trust was Turkey’s attempt to normalise its relations with Armenia in 2009.⁴⁶

For several reasons, Turkey’s position in the evolution of the Second Karabakh War and its aftermath fully restored the relationship and further consolidated special Turkish status in Azerbaijan. First, constant communication and consultation were held between the political elite of respective countries, not only between presidents but also between ministers of foreign affairs, ministers of defence, and military staff. Second, Azerbaijani elites and societal actors demonstrated a high level of appreciation. Alongside public statements of support, Turkish flags were placed next to Azerbaijani ones on the streets, in shops, and even in official buildings. Social media accounts revealed frequent use of flags next to each other in accounts of Azerbaijani achievements in the military field. Third, Turkey’s contributions to the Azerbaijani army in its training, know-how, and modernisation led to concrete military successes and the final victory. Turkish-made drones provided superiority to Azerbaijani forces over the Armenians. The director of Baykar Defence, who made these drones, Selçuk Bayraktar, was given a Karabakh Medal of Honour in 2021 and was a guest of honour at the TEKNOFEST held in February 2022. The interaction between Azerbaijani and Turkish officials intensified within the atmosphere of victory.

As a result, the latest initiation of the normalisation process between Armenia and Turkey after the Second Karabakh War through special representatives’ appointments is with the Azerbaijani side’s consent. Nevertheless, Azerbaijan still expects to be consulted and hopes the process will be disrupted should it harm their interests. More specifically, various Azerbaijani views about the Armenian-Turkish normalisation process could be summarised as follows:

1. “We are fine with it unless we will be disturbed”: Azerbaijan enjoyed its victory and felt empowered to consolidate its nation, statehood, and strengthened position in the region. Since it does not

⁴⁶ For further discussion of this issue, see Turkey section.

feel any real threat from the Armenian side, it does not see any problem in Turkey's attempt at normalisation. Yet, this attitude is also conditioned by the Armenians' willingness to contribute to future peace talks, their official position to acknowledge and respect the territorial integrity of Azerbaijan, and their approval of the Azerbaijani position about the Karabakh Armenians.

2. "Normalisation between Armenia and Turkey could contribute to the peacebuilding process in the region through convincing Armenians to make concessions over Karabakh": This position presents a more pragmatic view. Some argue that the normalisation between Armenia and Turkey can induce Armenians to make further concessions, i.e., not to make the status of the Nagorno-Karabakh Armenians an issue. In a way, it is thought to be a convincing process.
3. "Normalisation between Armenia and Turkey does not necessarily have an impact on the normalisation between Azerbaijan and Armenia": Although the Azerbaijani consent is an indispensable part of the normalisation between Armenia and Turkey, Baku treats these two processes as independent from each other. In other words, the normalisation process between Armenia and Turkey does not necessarily inform the relationship between Azerbaijan and Armenia. They would prefer to distinguish the two clearly and treat them separately. It would not make any concessions from its position to support the normalisation between Armenia and Turkey. In short, Azerbaijan will not cause any harm to the Armenia-Turkey process unless it is disturbed or makes any potential contribution to it since it does not seem to make any concessions on the above arguments.
4. "We are not necessarily happy with this normalisation process, but due to the existing circumstances, we are reluctant to express our implicit dissatisfaction": Some others think this process unnecessary, arguing that the normalisation should not happen until a peace agreement is reached. After the Second Karabakh War, Baku endorses a pro-peace and pro-cooperation position. Therefore, it does not look like disturbing any initiative promoting regional cooperation. Since normalisation between Armenia and Turkey is integral to any peacebuilding initiatives and security-building in the region, Azerbaijan does not prefer to constitute an obstacle to the process and reluctantly offers its blessing.

Opportunities and potential for regional cooperation

The foremost opportunity the current geopolitical environment presents, as far as Baku is concerned, is that Azerbaijan does not see any urgency and need for multilateral diplomacy. For Azerbaijan, as most of its occupied territory has been returned to its jurisdiction, talking about peace with Armenia in foreign and domestic contexts is not controversial anymore, and Baku does not need a multilateral forum to justify it. The main constraints, on the other hand, appear threefold.

First, some Western countries see this region, or the Azerbaijan-Armenian issue, as a Russian problem and the region as a Russian backyard. They approach the issue from the pre-war perspective, mainly demanding the return to the talks based on the realities of the 1990s, especially about the status issue. However, Baku doesn't wish to return to discussions related to the status, even though the views of the Minsk Group co-chairs remain unclear. As both U.S. and France seem irrelevant under the current circumstances for both the government and the public in Azerbaijan, they tend to ignore their ambivalent positions on the status issue.

Second, for Azerbaijan, the conflict is over, the problem is solved, and it is time to build peace with Armenia. Azerbaijanis think that the victorious position gives them the right to decide on a minority group whose members are seen as ordinary citizens of Azerbaijan. As no other minority groups have a special status, the Azerbaijani authorities are unwilling to provide any advantageous position to Nagorno Karabakh Armenians.

Finally, regarding the mission and mandate of the Minsk Group, the co-chairs still need to develop a new proposal based on new realities. The co-chairs also understand that the principles and essential elements developed in 2004 and presented to the parties in Madrid in 2007 do not correspond to

the post-November 2020 realities. The political settlement of the Karabakh conflict and/or return of occupied territories was a prerequisite for Azerbaijan's cooperative undertakings in the region. The post-war situation opened the door for this development, which, as the majority of interviewed Azerbaijani decision-makers for this project stated, would involve all three South Caucasus states.

Azerbaijan particularly promotes the idea of cooperation in the fields of transport and trade, which will eventually pave the way to economic cooperation. It argues that economic prosperity is needed and constitutes a common interest for all countries in the region. To ensure this, there must be the mobility of people and goods, which can only be realised through transportation corridors.

A key component of Azerbaijan's regional integration approach is establishing transport links between the western regions of Azerbaijan and its Nakhichevan exclave, which requires communication channels to be opened between Azerbaijan and Armenia. The Azerbaijani political circles often argue for ending Armenia's self-isolation, which can only be achieved through transportation corridors. These corridors would be a win-win situation for the parties involved. In public statements, along with the organisation of workshops and conferences, the "Zangezur Corridor" idea is widely promoted. This would be a road and railway corridor from Armenia's Syunik region, also historically called "Zangezur" by Azerbaijan. Although the Armenians initially perceived this development negatively, they now seem more accommodating. Moreover, during the Soviet era, communication between Azerbaijan and Armenia was not limited to the Syunik/Zangezur route but also through the Ijevan-Gazakh railway and other highways. Thus, in the long run, communication channels between Armenia and Azerbaijan can cover various geographical areas from the Soviet era.

Success, or at least willingness, to build such transport corridors can be a reasonable basis for developing trade relations between Azerbaijan and Armenia. The expansion of bilateral ties through trade will increase the interaction between the communities and has the potential to overcome reciprocal hatred and prejudices over time. Yet, for regional integration to take place, infrastructure must be built. Since the 1990s, the transportation and communication lines that connected Azerbaijan and Armenia during the Soviet era have been destroyed due to two wars. Azerbaijan has set a goal to restore communication infrastructure on its territory by 2023 (over 70 % needs to be fixed in its territory, and a relatively small part of the work should be done in Armenian territory) and to establish trade relations with Armenia in a small capacity during the next five years.

For 26 years, Azerbaijan has argued that Armenia will benefit from peace. It was stressed that stability would allow Armenia to leave the regional blockade imposed by Azerbaijan, supported by Turkey, and tacitly sustained by Georgia. Here, Georgia benefits as a transit country, increasing foreign investment and improving its population's welfare. These political messages had little effect on Armenian society, and the promise of conditional economic prosperity was not considered tangible. However, in the post-war situation, regional integration is more realistic. In the long run, this will primarily lead to economic growth in both countries and, consequently, to improving relations between Azerbaijan and Armenia.

Regional economic integration, especially in transport infrastructure and trade facilitation, minimising transport costs with the new transport corridor via their impact on trade, is likely to affect both Baku and Yerevan's long-term economic growth. This will be achieved by eliminating barriers restricting the movement of goods and services. Routes for constructing energy pipelines for Azerbaijan's energy policy and access to the global markets were formed in the 2000s, and the construction of new energy pipelines was excluded. However, as several regions where the planned transport corridor will pass through Armenia are formerly occupied territories and will house former IDPs, energy infrastructure will need to be built there, encouraging Azerbaijan's gas exports to Armenia's border regions in the future.

Moreover, the border areas between Armenia and Azerbaijan have tourism potential, but the risk of conflict has severely limited this. In addition, the lack of border trade pushed local communities to migrate to cities; opening this trade could promote these regions' repopulation and encourage rural border communities' development.

Conclusion

Domestically, Azerbaijan needs to significantly improve its records on political reforms concerning democratisation and promoting human rights. Elections were somewhat discredited for several reasons, including previous violations; a low turnout rate; and, most importantly, they must be fully competitive. Rather vibrant opposition during Haydar Aliyev's rule was dispersed, significantly weakened, and discredited.

Moreover, there has been no alternative to Ilham Aliyev for almost two decades, not only because of the weakened opposition but also due to the lack of opportunity structure for alternative figures/forces/parties to emerge. Azerbaijan has been a "prisoner of the Karabakh conflict" since its independence, leaving an undeniable mark on its domestic politics. It had long been used as an excuse for not progressing in political, social, and economic areas. However, one should also acknowledge that his performance and success in liberating occupied territories of Azerbaijan made President Aliyev more popular and gave him more legitimacy than before. The image of the "victorious national commander-in-chief", his assertiveness during the war and his leadership skills were highly appreciated. As of today, there is no natural alternative to Ilham Aliyev. This can easily be translated to initiating political reforms since he would not be challenged as a leader. Promoting rights and liberties, representing the opposition, and strengthening civil society would also enhance Azerbaijan's position in peacebuilding.

The involvement of international actors is crucial to enhancing regional cooperation in five respects. First, the currently regionalised situation with Turkey and Russia's strong participation and presence must be internationalised in the medium run. This will benefit Azerbaijan in diversifying its partnerships during the peace talks. Second, Azerbaijan is in a fast reconstruction process in the Karabakh region to prepare the cities for habitation; financial and technical assistance will be beneficial. Third, humanitarian issues should be addressed, and the Azerbaijani government needs help implementing an action plan to ensure displaced people's return to Karabakh. Fourth, demining formerly occupied territories is of utmost importance for Azerbaijan. Finally, the West could support more bilateral talks between Baku and Yerevan without Russian mediation.

Georgian views on the changing geopolitics of the South Caucasus

Kornely Kakachia

The Second Karabakh War has led to a qualitative shift in the regional power dynamics of the South Caucasus. The conflict was over within a few days, but the war's repercussions continued reverberating, shaping the wider geopolitical environment. The ceasefire agreement was brokered only after Russia's involvement and without the Minsk Group, highlighting Western actors' diminished regional role and illiberal powers' ascendant influence.

These developments have been of great concern to policymakers in Tbilisi. Georgia has its eye on Euro-Atlantic integration, and thus a potential security complex in the region that excludes Western partners goes against the country's strategic interests. Russia's role in the new geopolitical context is no less problematic, as the Kremlin is perceived as an existential threat to Georgian sovereignty and territorial integrity. Hence, it is logical to expect that officials in Tbilisi are increasingly alarmed by a growing Russian regional presence, as demonstrated by Russian peacekeepers stationed in Azerbaijan. Russia now has troops on the territory of all three countries in the South Caucasus for the first time in almost thirty years.

Georgia is interested in maintaining peace and stability in the region, as an open military confrontation between its neighbours would dramatically affect the country's economy and overall strength. However, the means currently being considered, for example, the 3+3 platform that excludes Georgia's strategic partners (E.U., U.S., NATO), contradicts Tbilisi's national interests and thus excludes the possibility of its active participation. The future of this platform is further complicated by stressed relations between Turkey and Armenia, as well as by recent tension between Iran and Azerbaijan.

The diverging foreign policy and security trajectories of the three South Caucasian states also contribute to the unresolved nature of the region's security complex and various integration projects, which remain uncertain beyond the economic partnerships. Such realities confine the "South Caucasus" to a purely geographical term. Due to their biases toward Yerevan and Baku, Russia and Turkey cannot play the role of honest brokers. On the other hand, the United States, the E.U., and other international actors could play an essential role in facilitating cooperation between Armenia, Azerbaijan, and Georgia, but are absent so far from the region. In this delicate situation, Tbilisi promotes itself as the only country capable of assuming the "western gateway to the South Caucasus" role,⁴⁷ strengthened by a recent E.U. council decision to grant Georgia a European perspective. While Georgia is already successfully involved in shuttle diplomacy between Baku and Yerevan, without the active engagement of international actors (the US and EU mainly), the common objective of stabilising a fractured region might remain wishful thinking.

This section analyses the perception of new geopolitical realities among Georgian policymakers and thinkers. More specifically, it responds to the question: What are Tbilisi's main challenges and concerns? This section also assesses the prospects and likelihood of regional cooperation in the foreseeable future.

Georgian elites' perceptions of the changing geopolitical climate

The emergence of illiberal states (Russia, Turkey, and Iran) as dominant regional powers is a critical regional development that has dramatically impacted Georgia's foreign and security policy concerns in recent years. As these states gradually became agenda setters, they slowly sidelined the E.U. and the U.S. influence. More recently, the Second Karabakh War has strengthened the positions of the illiberal powers in the South Caucasus, while Washington and Brussels have been left on the sidelines. Even the OSCE, which was previously involved in the mediation process, was largely bypassed in this case.

47 "Georgian President Talks Nagorno-Karabakh, Tbilisi's Neutrality", *Civil.Ge*, 5 November 2020, <https://civil.ge/archives/373210>.

When analysing Moscow's policy towards the region, Georgian experts argue that the ceasefire agreement has further strengthened Moscow's hold on the area, thus damaging Georgia's security and strategic interests.⁴⁸ Russia has obtained direct influence over Azerbaijan due to the conflict. Tbilisi also fears that the Russian Federation may intend to convert Armenia from a client state into a vassal state. Such a move would turn the country into Russia's main military outpost in the South Caucasus. Despite a strategic partnership with Azerbaijan and Turkey, President Erdoğan's and President Aliyev's cooperation with Russia over the conflict's settlement concerns Tbilisi. This is especially true now that the Russian Federation has achieved its military presence in Azerbaijan through a peacekeeping mandate.⁴⁹ Tbilisi feels as though hostile Russian power from all sides surrounds it. Some experts also believe that even though Azerbaijan has managed to realise its goals in the short- and mid-term, in the long run, Russian peacekeepers will be a severe challenge to Baku's security and stability (Georgian Security expert, September 14, 2021). This is especially true when considering the Georgian experience in Abkhazia and Tskhinvali region, also known as South Ossetia. It is a serious step towards advancing Moscow's regional grip and a potential security challenge to Georgia.

Moreover, while Tbilisi appreciates strategic bonds with its leading trade partner, Turkey, some statements from political elites suggest that Georgia is uneasy about the enhanced Russo-Turkish condominium that challenges Western interest in the region. These developments have amplified feelings of regional isolation among Georgian policymakers. Many fear they may facilitate Russia's long-term strategic objective of encircling and weakening pro-western Georgia (Georgian MP, September 15, 2021).

Understanding this delicate situation and what it means for Georgia's foreign and security policy, Western diplomats immediately initiated several visits to Tbilisi. The U.S. Secretary of State Pompeo's visit and a group of the E.U. member states' foreign ministers' visit on behalf of the High Representative of the Union for Foreign Affairs and Security Policy⁵⁰ reaffirmed Western support for Georgia. They addressed the latter's concerns around the ongoing geopolitical shift.

Yet, dramatic internal developments and a long-lasting political crisis within Georgia have overshadowed the neighbourhood's alarming developments. The 2020 Parliamentary Elections in Georgia coincided with the Second Karabakh War. For some time after the war, the Georgian public discourse was dominated by post-election developments (i.e., the boycott of the Parliament by the opposition party, the resignation of the Prime Minister, the arrest of the leader of the main opposition party, etc.). Thus, major geopolitical shifts in the South Caucasus have been overlooked mainly due to domestic political turbulence. Even at the time of writing, the country is struggling with an internal political crisis over the government's positioning on the war in Ukraine, pushing South Caucasus regional security down the agenda of the major political parties.

Despite internal distractions, the visible change in the balance of power among the region's countries should not have escaped the Georgian political elite's attention. As one of the respondents (Georgian Academic, September 08, 2021) interviewed for this report remarked, before the Second Karabakh War, it looked like Yerevan and Baku were equal regarding their military capabilities. However, "this is not the case anymore, and everyone has to consider this." The war revealed the considerable superiority of the Azerbaijani army over the Armenian military, which is still primarily equipped with Russian-made arms. The conflict also illustrated that the future of warfare lies in drones and modern technology, both actively deployed by Azerbaijan.

The visible downgrading of the Western powers against mounting Turkish and Russian influence fundamentally reshapes the region's current geopolitical landscape, not to mention their further

48 T. German, "Geopolitical Implications of Nagorno Karabakh War for Georgia: Expectations from Great and Small Powers", *Expert Comment #18*, Georgian Institute of Politics, July 2021.

49 "Azerbaijan discusses the legitimacy of Russian peacekeepers' presence in Karabakh", *English Jamnews*, 23 September 2021, <https://jam-news.net/azerbaijan-discusses-legitimacy-of-russian-peacekeepers-presence-in-karabakh/>.

50 B. Zhozep, "evrok'avshiris minist'rebis jgupi, chemi sakhelit, samkhret k'avk'asiis sam kveq'anashi vizit's gamartavs", *Interpressnews*, 28 May 2021, <https://www.interpressnews.ge/ka/article/658132-zhozep-boreli-evrokavshiris-ministrebis-jgupi-chemi-saxelitsamxret-kavkasiis-sam-kveqanashi-vizits-gamartavs/>.

involvement. This poses new challenges to Georgian foreign and security policy, focusing primarily on strengthening ties with the European Union and the United States. Policymakers in Tbilisi should face these new realities and identify Georgia's short- and long-term political strategies.⁵¹ These challenges concern not only political or military developments but also regional economic and infrastructural projects. It remains unclear, however, whether a country that still faces such a severe internal political crisis will be able to benefit meaningfully from these efforts.

Although Turkey and Russia are both illiberal actors in the region, for the Georgian political elite, there is a crucial difference between the two. While Moscow is a clear existential security threat, Ankara is a member of NATO and still an E.U. membership candidate country. This makes Turkey a counterbalance to Russian aggressive foreign policy for Georgia. Ankara also is an essential ally for Georgia in its Euro-Atlantic aspirations and a critical actor in the wider Black Sea area.

Assessing the potential for regional cooperation

For Georgia, and within the context of new geopolitical realities, the main challenge threatening regional cooperation is the growing regional role of the Russian Federation. So long as the Kremlin violates Georgia's territorial integrity and sovereignty, cooperation will remain problematic regardless of who is in power in Tbilisi. This obstacle is very well known in Moscow and Ankara, as the Turkish Foreign Minister Mevlut Çavuşoğlu's statement, emphasising that Georgia's stance on the 3+3 format needs to be respected, suggests.⁵² Moreover, Georgia has Euro-Atlantic aspirations, which are neither compatible with Azerbaijani nor with the Armenian foreign or security policies trajectories. However, diverging foreign policy interests do not exclude opportunities for partnership and cooperation through other formats between the region's countries. Therefore, the potential for regional collaboration probably exists in different forms, such as trade harmonisation or transportation policies (Georgian think tank representative, personal communication, September 14, 2021).

Officials in Tbilisi are walking on thin ice due to these new geopolitical realities. Furthermore, the prospects of regional cooperation are dim, as was well illustrated by the former Georgian Foreign Minister Davit Zalkaliani's statement regarding the 3+3 format and the fire of criticism he went through. Zalkaliani stated that, while it was "very hard" for Georgia to join the platform due to the Kremlin's involvement, the country should still find ways to be part of future infrastructural projects.⁵³ The main concern, he argued, was the prospect of Georgia losing its role and function in the region.⁵⁴ In response to public criticism, however, the Ministry of Foreign Affairs issued a special statement, claiming that the minister's words were misinterpreted, reiterating that "Georgia is not considering participation in the 3+3 format together with the Russian Federation."⁵⁵ The Georgian political elite is clearly in a difficult position – on the one hand, it wants to be a part of grand economic projects in the region, but on the other hand, participation would imply cooperation with the Russian Federation, a country considered to be an occupier of its territories.

From outside Georgia, U.S. Defence Secretary Lloyd Austin, during his visit to Tbilisi on November 18, 2021, made it clear that Washington does not support the 3+3 format idea. While signing a Memorandum of Understanding on Georgia Defence and Deterrence Enhancement Initiative, the Pentagon chief responded to a question about the proposed 3+3 initiative, explaining his belief that Russia, "which currently occupies 20% of Georgia's territory, should focus on honouring its 2008 ceasefire commitments before promoting any new discussion platforms." At the same time, he encouraged the countries of the South Caucasus to work together to resolve disputes and strengthen

51 G. Gegelia, "Georgia After Karabakh: New Realities Demand New Answers". *Georgian Institute of Politics*, 13 May 2021, <https://gip.ge/georgia-after-karabakh-new-realities-demand-new-answers/>.

52 M. Kartoza, "Turkish FM: We should respect Georgia's stance on 3+3 format", *ITV*, 3 March 2021, <https://1tv.ge/en/news/turkish-fm-we-should-respect-georgias-stance-on-33-format/>.

53 "Foreign Minister Zalkaliani Talks 3+3 Platform". *Civil.Ge*, 9 October 2021, <https://civil.ge/archives/447118>.

54 Ibid.

55 "Right of Response: MFA Reacts to Civil.ge News Piece", *Civil.Ge*, 9 October 2021, <https://civil.ge/archives/447230>.

regional cooperation.⁵⁶ Later, the U.S. Department of State also commented on the “3+3 platform” with a written response to a request for comment by the *Accent* news agency, asserting that “outside actors should not try to impose their agenda on the region.”⁵⁷ This position from one of Georgia’s key allies complicates its situation.

Experts are also divided on whether Georgia’s refusal to participate in the 3+3 platform will threaten its role as a transit country.⁵⁸ Some scholars believe that the resumption of railway operations between Turkey and Azerbaijan through Armenia might challenge Tbilisi. Opening a direct link between Ankara and Baku bypassing Georgia implies a threat to the latter’s privileged position, which it has maintained for decades and, by some calculations, has brought 5 million USD for every million tons of transiting cargo.⁵⁹

Nevertheless, others believe that the Baku-Tbilisi-Kars railway and the gas and oil pipelines going through Georgia will remain unchallenged for the foreseeable future.⁶⁰ Conversely, normalising relations between the South Caucasus countries stay in Georgia’s long-term interests. One of the respondents interviewed for this report (Georgian MFA representative, September 13, 2021) emphasised that Georgia would not lose its position as a transit country for at least three reasons. First, there are insufficient resources to restore the route connecting Turkey to Azerbaijan via Armenia. Second, Russian proposals in this regard do not yet appear feasible, and third, Georgia has established itself as an essential transport corridor with several grand projects already implemented. What also needs to be noted here is that the existing status quo between the Russian Federation and Georgia excludes any prospect of a railroad link between Armenia and Russia. Thus, the potential for regional cooperation lies more in the Southern corridor than North-South.

The ambiguous nature of Russia-Turkey relations further inhibits this opportunity for regional cooperation. The interests of these two countries have clashed in Syria to such an extent that the Turkish army shot down a Russian military plane in 2015.⁶¹ Despite reaping few benefits, President Erdogan has been seeking closer ties with the Kremlin for several reasons, including rising authoritarianism, the United States downsized geopolitical role in the region and close personal relations with President Putin.⁶² A clash between Turkey and Russia in the South Caucasus and Central Asia will be no less problematic due to new geopolitical realities after the Second Nagorno-Karabakh War. In other words, what Turkish policymakers consider the Turkic world largely coincides with a geographic area that Russians regard as their “sphere of interest” (the South Caucasus and Central Asia).⁶³ Tbilisi is also aware that Ankara continues to condemn Russian aggression against Ukraine by annexing Crimea and maintains close military cooperation with Kyiv.⁶⁴

Another factor that should be considered is the tainted view of Turkey in Georgia. While Tbilisi appreciates strategic cooperation with Ankara (Turkey is its leading trading partner and a significant source of foreign direct investment), tensions in Turkish-EU and Turkish-US relations affect bilateral relations. Turkey’s assertive policy towards its neighbourhood and beyond and its recent drift from Western security policy undermine Ankara’s credibility in Georgia. This puts Georgia in an uncomfortable

56 “U.S. Defense Secretary Visits Georgia”, *Civil.Ge*, 19 October 2021, <https://civil.ge/archives/448392>.

57 “US State Department on 3+3 format: “outside actors should not try to impose their own agenda on the region”. *Accent News*, 19 October 2021, https://accentnews.ge/en/article/48760-us-state-department-on-33-format-outside-actors?fbclid=IwAR3Yy8KoiRd1xhsTzhUaB-f2ij_xncZS9dWbbWYU4lWzH5WSBbQzDXcM0.

58 Z. Anjaparidze, “The Second Karabakh War and Georgia’s Threatened Transit Role”, *Jamestown*, 16 February 2021, <https://jamestown.org/program/the-second-karabakh-war-and-georgias-threatened-transit-role/>.

59 G. Lomsadze, “Not all roads lead to Georgia. *Eurasianet*, 8 March 2021, <https://eurasianet.org/not-all-roads-lead-to-georgia>.

60 Anjaparidze, “The Second Karabakh War and Georgia’s Threatened Transit Role.”

61 “Turkey’s downing of a Russian warplane - what we know”, *BBC News*, 1 December 2015, <https://www.bbc.com/news/world-middle-east-34912581>.

62 Turkey’s removal from the United States’ F-35 program. See G. Dalay, “Turkey’s Geopolitical and Ideological Eurasianism and its Relations with Russia”, *GMFUS*, 21 September 2021, <https://www.gmfus.org/news/turkeys-geopolitical-and-ideological-eurasianism-and-its-relations-russia>.

63 Ibid.

64 P. Stronski, “The Shifting Geography of the South Caucasus”. *Carnegie Endowment for International Peace*, 23 June 2021, <https://carnegieendowment.org/2021/06/23/shifting-geography-of-south-caucasus-pub-84814>.

position. In the not-so-distant past, Turkey was an aspiring democracy, perceived as part of the collective West in the region (NATO membership and E.U. candidate status helped here). As the country descends into authoritarianism, many pundits question whether Georgia can continue associating with an authoritarian but economically powerful neighbour without jeopardising its ambitions for European integration. There are also ongoing discussions about how the Georgian government can strike an adequate balance. Georgians understand that a lack of geographical continuity with the E.U. weakens the pull of Europe, making it more vulnerable to pressures from its illiberal neighbours.⁶⁵ Another irritant in bilateral relations is the Turkish stance on Georgia's breakaway regions. While Turkey openly supports Georgia's territorial integrity and Euro-Atlantic aspirations, Ankara's stance towards Abkhazia remains a point of contention. While Ankara formally emphasises support for Georgia, it simultaneously turns a blind eye to the diaspora trade and cultural relations channels.⁶⁶ Such contradictions undermine Tbilisi's trust in its strategic partnership with Turkey.⁶⁷

Thus, the future of regional cooperation remains somewhat uncertain in the context of Ankara-Moscow competition and diverging foreign policy and security considerations amongst the officials in Yerevan, Baku, and Tbilisi. The only possible area of cooperation that can be envisioned is within the economic sphere. That would only be possible if one views the South Caucasus as a cohesive region in macroeconomic terms (Georgian think tank representative, September 14, 2021). This is precisely where the European Union, not Russia or Turkey, could play a decisive role in helping the region emerge as one. There are already some signs of renewed regional cooperation between these countries. Even amid tension with Iran, Azerbaijani commercial flights started using Armenian airspace again for the first time in almost a decade.⁶⁸

Lastly, it is logical that peace and stability are also in the interests of Georgia, which leaves some space for cooperation. For example, one can point to the recent swap of military captives for mine maps between Baku and Yerevan that Georgia mediated with U.S. support (Civil. Ge, 2021d). Thanks to its continued and stable neutrality throughout the conflict, Tbilisi can be a potential host for peace talks and other summits. However, how long Tbilisi will remain a neutral actor, separate from regional platforms, without Western support, is not certain.

Elite perceptions and Russia's role in the region

The perception of Russia's role in the region largely depends on the local context of each country and its foreign policy goals/ambitions. For instance, Table 3 suggests that 79% of Georgians in 2021 perceived Russia as the main threat to the country. Therefore, it is logical to assume that unless the Kremlin ends its continued violation of Georgia's territorial integrity and sovereignty, there are no prospects for involving Russia in the South Caucasus regional security complex. Russia is uncomfortable with Georgia's relatively democratic and independent nature and the West's close ties to a country within Moscow's sphere of influence. By asserting a sphere of influence, strategists in Moscow hope to prompt a suitably deferential reaction from the West, including regional withdrawal. Georgia's modern elite are essentially Western-educated, alienated by Russia's aggressive policies, and now consider Russia, a key adversary. Most of them grew up with anti-Russian sentiments. They perceived

65 In 2017, two major scandals involving the arrest of a Turkish school teacher, Mustafa Emre Chabuk, by the Georgian police and a kidnaping of an Azerbaijani dissident journalist from the Georgian territory to Azerbaijan, cast doubt on the government's ability to resist pernicious influences from Azerbaijan and Turkey.

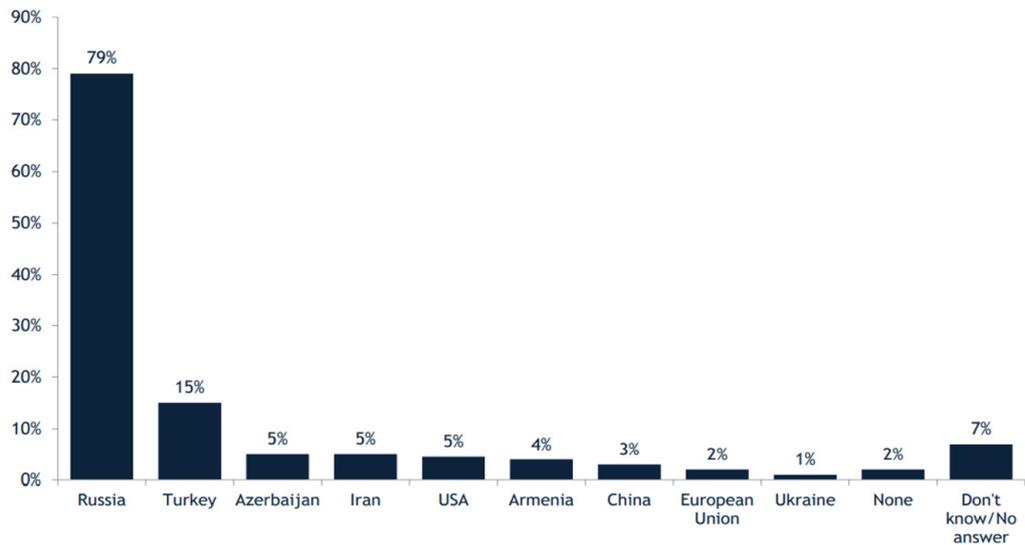
66 Despite Turkey being a strategic partner and an important ally of Georgia, it also maintains close informal relations with Abkhazia. Turkey has been Abkhazia's second-largest trading partner, numerous Turkish companies are operating in the region, and there is even a "Turkish-Abkhazian" business council. For details, see <https://jamestown.org/program/defying-georgia-turkey-gradually-cultivates-its-influence-in-separatist-abkhazia/>.

67 S. Kapanadze, "Turkish trade with Abkhazia: An apple of discord for Georgia", *Turkish Policy Quarterly*, Vol. 13 (3), 2014, pp. 55-68; I. Machitidze, "The Turkey-Russia Power Play Unfolding: Can Georgia Weather the 'Frenemies' Trap?", Georgian Institute of Politics, Policy Paper, No 13, 2020, <https://gip.ge/the-turkey-russia-power-play-unfolding-can-georgia-weather-the-frenemies-trap/>.

68 A. Mejlumyan, "Azerbaijan starts using Armenian airspace", Eurasianet, 6 October 21021, https://eurasianet.org/azerbaijan-starts-using-armenian-airspace?utm_source=dvr.it&utm_medium=facebook&fbclid=IwAR0kdFydT3phQF895MehMWl-5RsQnNhL5uhOsAsOh_FFMZazhWn6jwIxcvM.

the Russian-Georgian confrontation in ideological terms as a clash between authoritarian, imperial Russia and a pro-Western, democracy-aspirant Georgia. Notwithstanding the so-called normalisation policy with Russia under the Georgian Dream government, this clash still dominates the current Georgian political debate.⁶⁹

Table 3: Which countries pose the most significant political threat to Georgia?

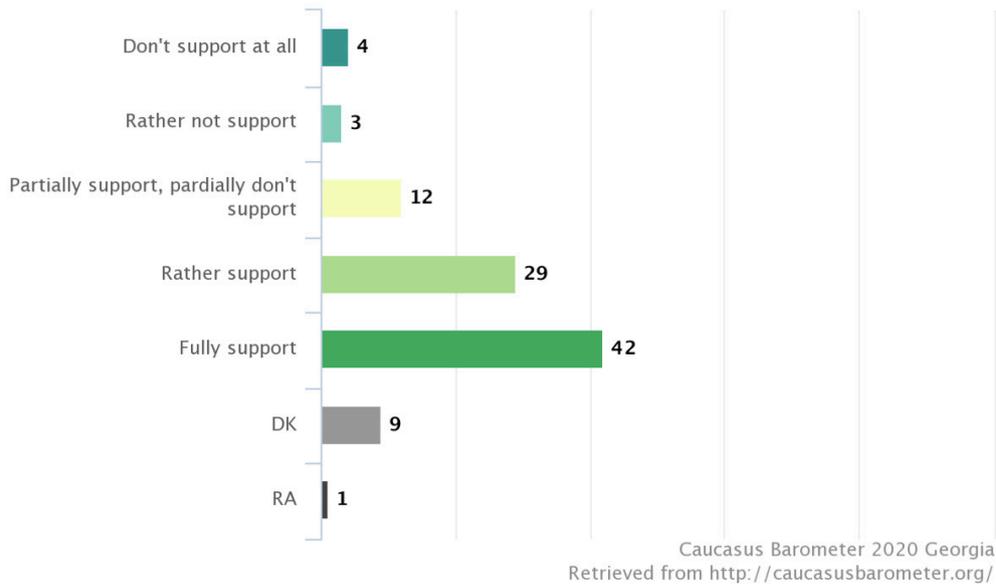


Source: IRI Public Opinion Survey, Residents of Georgia, June 2021 (multiple responses allowed), <https://civil.ge/archives/435279>.

After the Second Karabakh War, in addition to Russia's blatant fight to improve its regional standing, Azerbaijan's military success also clearly communicated to the Georgian public that the solution to Georgia's territorial problems does not lay only with the collective West. It suggested to Georgians that Russia, in cooperation with Turkey and Iran, effectively shapes the regional security infrastructure.

Another important dimension that needs to be considered is the different foreign policy trajectories of the three South Caucasian countries – this will most likely inhibit the formation of a common security platform in the region. While Armenia is a member of the Collective Security Treaty Organization (CSTO) with its headquarters in Moscow, Georgia has set NATO membership as its goal, supported by most of the population (see Table 4). On the other hand, Azerbaijan, like Georgia, withdrew from the CSTO in 1999 and does not intend to join any organisation anytime soon.

69 K. Kakachia, "Can Russia Win the Ideological Battle in Georgia?", *PONARS Eurasia Policy Memo No. 67*, 23 July 2012, <https://www.ponarseurasia.org/can-russia-win-the-ideological-battle-in-georgia/>.

Table 4: Support of country's membership in NATO (%)

Source: *Caucasus Barometer 2020 Georgia*, <https://caucasusbarometer.org/en/cb2020ge/NATOSUPP/>

According to one respondent (MFA representative, September 13, 2021), cooperation between Georgia and Russia is impossible under the current status quo. Still, at that same time, he stated: “Russia will not be interested in anything if it is not engaged in it.” As another respondent (Think tank representative, September 14, 2021) remarked, Russia does not aim to be an alternative centre of world politics. Instead, it plays the role of a “bad guy” or spoiler by ruining other countries’ affairs and gaining maximum benefit.

Another major issue that darkens perceptions of Russia’s role in the region is the continued presence of the Russian forces in Georgia. Their impartiality and behaviour remained controversial when stationed as peacekeepers in Abkhazia and South Ossetia.⁷⁰ One can already see disappointment with their role in Azerbaijan,⁷¹ highlighting obstacles that the Kremlin will face to establish itself as a credible actor in the South Caucasus. Even though the Azerbaijani side hopes to have the Russian peacekeepers withdrawn in five years, history shows that they seldom leave the territory at the agreed-upon time (Interview with a Georgian MP, September 15, 2021). Furthermore, it is in the interests of the Kremlin not to work on finding solutions to conflicts, as protracted territorial disputes give the Russian Federation leverage and tools over the region and possibilities for meddling in Caucasian-wide affairs.

Finally, much will depend on the balance of power between Moscow and Ankara and the direction of the relationship between Turkey and the West. Suppose Turkey, with more democratic-minded leadership, returns to its traditional policy in the foreseeable future. In that case, they could be more willing to increase the West’s presence in the region and pressure democratisation on authoritarian regimes. Some scholars even believe that in the future, more Western-oriented and democratic government in Ankara, support for Aliyev might considerably decrease (Think tank representative, September 14, 2021). It may also influence the dynamics of Turkish-Russian relations. Turkey may have less incentive to cooperate with Kremlin over strategic issues as it continues its eternal quest toward E.U. membership. Nonetheless, the status quo will most likely remain in the short term, and the existing balance of power will remain unchanged.

70 J. Peuch, “Georgia: Russian Peacekeepers Detained In South Ossetia”, *RadioFreeEurope/RadioLiberty*, 8 April 2008, <https://www.rferl.org/a/1065603.html>.

71 “Azerbaijan discusses legitimacy of Russian peacekeepers’ presence in Karabakh”, *English Jamnews*, 23 September 2021, <https://jamnews.net/azerbaijan-discusses-legitimacy-of-russian-peacekeepers-presence-in-karabakh/>.

Scenarios for the future of the Caucasus

According to the argument above, a future scenario in which the South Caucasus could be conceived as a regional security complex seems unclear and unattainable. Much of Georgia's foreign policy effort is currently focused on pushing forward with deepening integration with the European Union to get candidate status as soon as possible. Unlike the situation in the Baltics, these priorities of Tbilisi do not coincide with the interests of Georgia's neighbours (Armenia and Azerbaijan). One can only expect closer regional cooperation between Baku, Tbilisi, and Yerevan regarding trade, economic relations, or similar fields. Yet, the main priority for Georgia will remain to push forward Euro-Atlantic integration and work closely with Ukraine and Moldova on this matter. The Russian invasion of Ukraine once again illustrated for officials in Tbilisi that though Georgian may not be entirely happy with Western resolve over Ukraine, it has no other security option but the West.

Therefore, the future normalisation of the situation in the region lies in the increased involvement of international organisations. The current engagement of Western powers in the territorial disputes in the South Caucasus is relatively modest. In Georgia, the E.U. has stationed its monitoring mission (EUMM) that cannot cover the Russian-occupied side of the dividing line. At the same time, the Minsk Group mediation between Azerbaijan and Armenia over Nagorno-Karabakh remains relatively weak. According to Ambassador Richard E. Hoagland, the U.S. Co-Chair position in the Minsk Group is seen in the State Department as "a parking position" for those diplomats who are waiting for a new post or are about to retire⁷² Ambassador Hoagland, in his essay, also remarks that in 2020 it was Moscow's intervention that stopped the fighting and put the lasting ceasefire in place, rather than the Minsk Group co-chairs.⁷³ This demonstrates who wields influence in the region. Consequently, the Minsk Group remains stuck in limbo as Armenia and Azerbaijan disagree on whether it still has any role in resolving their conflict.

The status of the Minsk Group is further complicated by unique relations between France and Armenia, as France, the U.S., and Russia are co-chairs of the group. France hosts a large population of ethnic Armenians who influence Paris' policies significantly. Azerbaijan has accused France of pro-Armenian bias, and some scholars believe replacing France with a different country, such as Sweden or Germany, would benefit the process.⁷⁴

Some analysts expect that if the tense situation between the neighbours remains or the conflict is prolonged, Georgia might face challenges in maintaining the neutrality it has thus far held. Georgia is populated by large groups of ethnic Armenians and Azerbaijanis, which might be willing to support Yerevan's or Baku's cause.⁷⁵ This would put officials in Tbilisi in a difficult position. Nevertheless, Georgia's attitude has remained unchanged since the start of the conflict. However, it has occasionally become a victim of politically motivated disinformation campaigns.⁷⁶ For example, in September 2021, false information circulated on social media that Georgia did not allow military cargo destined for Armenia to pass through its territory but allowed similar transits between Turkey and Azerbaijan. This led to protests among ethnic Armenians in Georgia due to a perceived pro-Azerbaijan bias.⁷⁷ Policymakers in Tbilisi believe that Tbilisi must maintain a balance between Armenia and Azerbaijan and contribute to peace and stability in the South Caucasus, avoiding any escalation to the point where the Russian or Turkish military gets involved.

72 R. E. Hoagland, "Does the Minsk Group Still Have a Role?", *International Conflict Resolution Center*, 17 May 2021, <https://icrcenter.org/does-the-minsk-group-still-have-a-role/>.

73 Ibid

74 "France struggles to retain Karabakh sway after Armenia defeat", *France 24*, 27 November 2020, <https://www.france24.com/en/live-news/20201127-france-struggles-to-retain-karabakh-sway-after-armenia-defeat>.

75 Z. Batiashvili, "Escalation of the Karabakh Conflict: Threats and Challenges for Georgia", *GFSIS*, 5 October 2020, <https://www.gfsis.org/blog/view/1105>.

76 "Disinformation related to Georgia's Position on Karabakh Conflict in Armenian and Azerbaijani Media", *Institute for Development of Freedom of Information*, 6 October 2020, https://idfi.ge/en/disinformation-karabakh_conflict.

77 Ibid.

In addition to the military dimension, the prolonged conflict in the region would also profoundly affect Georgia's economy. According to 2021 data, Turkey remains one of the key trade partners for Georgia, with a share of 8.1% of the latter's exports and 17.7% of the total imports.⁷⁸ Not just trade but also a significant share of foreign direct investments (FDI) come to Georgia from Azerbaijan and Turkey, not to mention grand projects, including the Baku-Tbilisi-Ceyhan oil pipeline or Baku-Tbilisi-Kars railway.⁷⁹ Thus, the economic consequences of the conflict-affected Georgia and the two countries directly involved.

Therefore, Georgia should lead in bringing Western partners into the region and increasing their level of engagement. Relations between Baku and the West remain complicated due to Azerbaijan's poor record on human rights, while Armenia is increasingly feeling abandoned by its European and American partners. This leaves Georgia as the only country in the region still willing and eager to increase the Euro-Atlantic community's involvement in matters of the South Caucasus.⁸⁰ This option is also the only way for officials in Tbilisi to ensure that the currently developing 3+3 format and new security architecture of the region do not leave Georgia isolated. The political elite in Tbilisi needs to look beyond the current internal political crisis and pay more attention to the major geopolitical shifts in its immediate neighbourhood. The sidelining of the Western countries, the increased grip of the illiberal powers, and democratic backsliding inside the country should be a key concern for Tbilisi, especially as it has its eye on Euro-Atlantic integration.

Most importantly, the unique relations Georgia enjoys with its European and American partners could help integrate the South Caucasus into the larger Black Sea and Eastern European security community and considerably boost the engagement of Brussels and Washington. Ideally, Georgia should also try hard to persuade its Western partners to be involved in the 3+3 format by changing it to the 3+5 format (the United States and European Union). However, there is also a sober realisation in Georgia that as the country backslides in terms of democratisation, they will be a lesser priority for the E.U. and Biden's administration than for his predecessors due to the ongoing pandemic, the aftermath of the U.S. withdrawal from Afghanistan, and Russian military aggression in Ukraine.

Conclusion

The second Karabakh War has considerably shifted the geopolitical situation in the region. Factors such as the rapidly shifting regional balances of power and changing calculations on the potential consequences of the conflict have forced Georgia to re-evaluate and reshape its regional policies. It has also provided strategic gains to Russia and Turkey while sidelining Western involvement through the Minsk Group.⁸¹ It was only through Russian engagement, rather than through the Co-Chairs of the Minsk Group, that a stable ceasefire agreement was achieved. This means that the leading brokers were illiberal powers and that their gains through this arrangement must concern Georgian policymakers who have their eyes on Euro-Atlantic integration.

The new security platform is known as the 3+3, and despite wishful thinking from Ankara and Moscow, it is unlikely to materialise fully. This section has examined several key factors that will inhibit the successful implementation of a regional security complex in the South Caucasus. Due to diverging national, security, or foreign policy interests, it is hard to characterise the South Caucasus as a homogenous political region, more than just a geographical term.

All the countries in the Caucasus are interested in and eager for closer economic relations and advancing trade, but the issue of deeper integration still needs to be solved. Georgian policymakers associate their future with Western institutions. Therefore, their main effort is focused on the *Associated*

78 "import'i. Geostat", *Geostat.ge*, 2021, <https://www.geostat.ge/ka/modules/categories/638/importi>.

79 Batiashvili, "Escalation of the Karabakh Conflict: Threats and Challenges for Georgia".

80 P. Stronski, "The Shifting Geography of the South Caucasus", *Carnegie Endowment for International Peace*, 23 June 2021, <https://carnegieendowment.org/2021/06/23/shifting-geography-of-south-caucasus-pub-84814>

81 G. Gegelia, "Georgia After Karabakh: New Realities Demand New Answers", *Georgian Institute of Politics*, 13 May 2021, p. 2, <https://gip.ge/georgia-after-karabakh-new-realities-demand-new-answers/>.

Trio and deepening integration with NATO. However, this clashes with the Armenian foreign and security trajectories, as Armenia is a member of the Russia-led CSTO and the Eurasian Economic Union. Meanwhile, Azerbaijan remains somewhat distant from Western institutions. Its security revolves around a close partnership with Turkey.

Relations between Ankara and the Kremlin further complicate the situation in the region. On the one hand, Turkey sees the Russian Federation as a situational ally. With increasing authoritarianism at home and thus alienation from the West, President Erdoğan finds a partner in President Putin. However, both countries have distinct ambitions in their neighbourhood and run the persistent risk of clashing with each other, whether in the Middle East, Central Asia, or the Caucasus.

These clashes of interests between the actors make it almost impossible for a regional security complex to materialise. The main attraction of the officials in Tbilisi is to ensure that the country is not isolated and surrounded by the increasing grip of illiberal powers over the South Caucasus while increasing Western involvement. The Minsk Group failed to achieve its purpose due to the approach from the Co-Chair countries and the French side being perceived as biased. With the Minsk group sidelined, the Kremlin considerably increased its presence in the region and even managed to have its troops stationed in Azerbaijan under a peacekeeping mandate.

Nor can one ignore the elephant in the room – Russian occupation and the recognition of the independence of the two breakaway regions of Georgia. Until the status quo changes – and it is unlikely to anytime soon – Georgia cannot be considered part of any security platform involving the Russian Federation. Some believe increased Western involvement can significantly affect this situation (Interview with a think tank representative, September 14, 2021). According to the same respondent, the West needs to support Armenian democratic transformation and economic development. The E.U. could also play an essential role in forming and further strengthening the South Caucasus as a single economic unit. Regarding arrangements related to the currently proposed 3+3 format, only if it is transformed to the 3+5 format through the involvement of Western partners and institutions can one expect Tbilisi's engagement.

Turkish positions in the changing geopolitics of the South Caucasus

Ayça Ergun

In this section, the role of Turkey in changing the geopolitics of the South Caucasus will be predominantly discussed in terms of its bilateral relations with Azerbaijan and Armenia. The analysis will refer to the existing situation and historical legacies determining the policies and preferences of the Turkish political elite and policymakers. The study will treat the Turkish political elite as a homogenous entity on these matters as there is not a substantial difference between government and opposition on issues related to the Turkish foreign policy in the South Caucasus in general, bilateral relations between Turkey and Azerbaijan, and how the Karabakh conflict is perceived.

The Second Karabakh War provided Turkey with an opportunity structure where a new status and role were defined with more proactive involvement of the Turkish policymakers. The post-war geopolitical context involves fewer actors, where Turkish and Russian presences are prominent and consolidated. Other international actors are either not involved or work with limited capacity. Regional powers acquired the upper hand in shaping security-building, regional cooperation, and economic integration.

The conflicting coexistence of willingness to secure stability and peace and the presence of historical and actual threats persists. The existing geopolitical context necessitates international actors' involvement to counterbalance the Russian Federation's fostered presence to prevent its increased power, influence, and hegemony in the region, particularly after the War in Ukraine.

The Second Karabakh War paved the way for the re-definition of the bilateral relations between Turkey and Russia, Turkey and Armenia, and Azerbaijan and Armenia. Turkey and Russia are satisfied with their leading and decisive regional roles in the existing status quo. Azerbaijan enjoys its empowered status with a consolidated nation and statehood, whereas Armenia is weak after its defeat.

*Observations of the social and geopolitical context after the Second Karabakh War*⁸²

The post-war geopolitics of the South Caucasus has allowed Turkey to revisit and redefine its role and mission in the region. Since July 2020, Turkey has become a game-changer with more proactive and involved action. Currently, Turkey is playing a more balancing role, if not meditating, after the truce signed on the 10th of November 2020 between Armenia and Azerbaijan.

The new status quo has strong potential to endure. Azerbaijan enjoys its victory, restoring its territorial integrity and consolidating its nation and state-building process. Immediate and fast reconstruction efforts, building roads and airports, housing, and infrastructure in the Karabakh region will restore its sovereign rights and demonstrate that it is taking complete control over previously occupied territories.

As of 2022, no trusted international institution can mediate between Armenia and Azerbaijan. The OSCE Minsk Group has failed to reach an agreement between the two parties and lost its credibility, reliability, and effectiveness. There is an emerging need for alternative international involvement in the region, mainly because it is no longer considered trustworthy and neutral by Azerbaijanis. However, the Armenians are still counting on its comeback.

Currently, the conflict is being regionalised with well-consolidated empowerment of the Russian Federation as the primary game maker, status provider, mediator in conflict resolution, and possibly a peacemaker actor. Turkey is considered the main balancing power against the potentially threatening position of the Russian Federation in the future. In this respect, Russians can be regarded as “fully back” on the ground since its army is once again on the soil of all the South Caucasian countries. This makes the existing status quo more fragile though Azerbaijan and Turkey do not widely pronounce this aspect.

82 For a detailed account evaluating the post-war situation in the South Caucasus, see “Post-War Prospects for Nagorno-Karabakh”, *International Crisis Group, Europe Report* No 264, 1 June 2021; A. Ergun and A. Valiyev, “An Account on Karabakh War: Why Now and Then What?”, 2020, <https://www.uikpanorama.com/blog/2020/11/10/an-account-on-karabakh-war-why-now-and-then-what/>; T. de Waal “The Nagorny Karabakh Conflict in its Fourth Decade”, *CEPS Working Document* No 2021-02, 2021.

Various ideas related to regional cooperation are in the air, yet the feasibility of their implementation could be better. While collaboration in trade and transport is often stated as the initial step for building mechanisms and taking action, more is needed to speak about regional integration. Any efforts should consider Azerbaijan's willingness to enjoy their victory and the willingness of Armenians to digest the defeat. Moreover, the role of memory should not be underestimated. The historical legacies of othering, hostility, conflict, and war still exist.⁸³ The unsolved conflict of three decades fostered the feelings of othering in respective elite and societal actors in Armenia and Azerbaijan. The previous cohabitation of the Soviet era is far from achieved in the short- and medium-term. Working relations should be defined, yet the counters of the terms and references are yet to be formulated.

For the Azerbaijani side, the conflict is over, the Nagorno-Karabakh Armenians are citizens of Azerbaijan, and no other status would be granted. For the Armenians, however, the status of Nagorno-Karabakh Armenians is yet to be determined, preferably by the involvement of international actors.

The most relevant questions are as follows: Is the internationalisation of peacebuilding possible? Who would be the actor(s) of a potential internationalisation? What can be the regional cooperation mechanisms? How will regional cooperation be secured?

The packing of Azerbaijan, Armenia, and Georgia with Turkey, Russia, and Iran in a 3+3 format needs to be clarified.⁸⁴ Not only is its potential to guarantee its sustainability, but its effectiveness is doubtful. In this would-be pact, if ever realised, one cannot predict how long the existing coalition between Turkey and Russia will endure since both parties have to compete for foreign policies in the Black Sea, Mediterranean and Levant regions. While this "competitive cooperation"⁸⁵ lies in a delicate balance, Turkey does not have friendly relations with Iran, which has often been considered one of the allies of Armenia by Azerbaijan. Moreover, Russia still constitutes a silent yet powerful threat to the sovereignty of all three South Caucasian countries, together with its potential involvement in creating internal stability.

In this potential acting, Georgia, whose territorial integrity has been violated by Russia, attributes a solid commitment to being integrated into the Western structures, particularly the EU. Turkey and Armenia do not even have bilateral relations, and the terms and conditions for normalisation are yet to be determined. This is a challenging task too. Although the Azerbaijani side would declare its consent, historical legacies and memories would take time to overcome. The 3+3 formula (building up a platform for cooperation with the participation of Azerbaijan, Armenia, Georgia, Iran, Russia, and Turkey) widely voiced by Azerbaijani and Turkish authorities seems to remain contested, at least for the short run unless a potential involvement of the Western actors would be possible.

In discussing the potential involvement of the Western actors, the EU and the US appear reluctant to get involved and do not offer any signals of their possible involvement in the region. One can argue that Russia and Turkey benefited from the ineffectiveness, slowness, and lack of considerable and viable interest of the Western powers. Turkey engaged in a more proactive position in the region and further increased its weight in shaping matters related to the geopolitical situation. Meanwhile, Russia openly restored its position as the primary game setter and the leading decisive actor in the region. The EU-OSCE format should be re-initiated and re-formulated to regain trust and convince respective parties of its effectiveness. Any possible format/policy/mechanism is yet to be heard.

The geopolitical context after the Second Karabakh War is informed and shaped by the patterns of continuity and change compared to the early years of the post-Soviet period. The patterns of continuity include historical memory, which contains hostility, enmity, and hatred with a strong sense of othering

83 For a detailed discussion of the background of the Karabakh conflict, see T. De Waal, *Black Garden: Armenia and Azerbaijan Through Peace and War*, New York, New York University Press, 2003; L. Broers, *Armenia and Azerbaijan: An Anatomy of a Rivalry*, Edinburgh, Edinburgh University Press, 2019; A. Babayev, B. Schoch and H. J. Spanger (eds.), *The Nagorno-Karabakh deadlock: Insights from successful conflict settlements*, Wiesbaden, Springer, 2020.

84 N. Samkharadze, "3+3 Minus One: Georgia's South Caucasian Challenges and Prospects", *Georgian Institute of Politics Policy Brief*, No. 37, 2022.

85 For an elaborated discussion, see M. Aydın, "The Long View on Turkish-Russian Rivalry and Cooperation", *On Turkey Series*, GMF, 1 November 2020. Also see M. Çelikpala, "Russia's Policies in the Middle East and the Pendulum of Turkish-Russian Relations", in T. Karasik and S. Blank (eds.), *Russia in the Middle East*, Washington DC, The Jamestown Foundation, 2018, pp.105-130.

(between Azerbaijan and Armenia, between Armenia and Turkey, between Georgia and Russia); enduring rivalries/competition/conflict (between Russia and Turkey, Iran and Turkey); continuing eagerness to increase its sphere of influence and its decisiveness (Russia); modified form for Sovietness as a form of governance and regime type (Azerbaijan and Russia); and attempt to restore the hegemonic power of Russia in the region (Azerbaijan, Armenia, and Georgia).

The presence of the patterns of continuity is indeed informing an understanding of the social and political background for the possibility of regional cooperation. Historical rivalries in the bilateral relations and building-up, restoration, and preservation of dominance and hegemony over the region prevail. Othering persists in varying degrees and is at the core of the nation and state-building processes, particularly for the post-Soviet countries. Regional outsider countries involved in the South Caucasus, namely Turkey, Iran, and Russia, are of significant relevance in the definition of friends and foes, not only in terms of foreign policy orientations and priorities but also in their historical, cultural, and societal as well as religious commonalities. Therefore, intersecting interests for power and influence in the region also have significant historical roots, which may not necessarily contribute to regional cooperation but prevent the formation of solid ground from initiating it. The patterns of change include the presence of a more consolidated nation and state-building processes, more assertive involvement of Russia, and the region is no more isolated. New alliances are being formed, and foreign policy priorities are defined.

Compared to the patterns of continuity, patterns of change underline the idea of the sovereignty of the regional countries, which constitutes the basis for consolidated nation-state building. Building diversified alliances with the potential to be more integrated with the West is possible. This implies they can be free of historical legacies and evaluate new alternatives.

Since the declaration of independence by regional countries in 1991, the South Caucasus has been turbulent. The nature of the early post-independence period is not only challenging in terms of simultaneous processes of nation and state-building, change of the economic system, and regime change but also inter-ethnic conflicts, wars, and tensions of varying degrees, between majority-minority populations of the regional countries. It took much work for respective governments to handle the situation because conflicts that started as bilateral became regionalised and later internationalised. Russia currently has a substantial presence on the ground, which still constitutes a threat to the territorial integrity of the South Caucasian countries, along with its potential to challenge stability. Moreover, assessing when and how Russia will ever leave the region is difficult.

The role of Turkey in potential cooperation/integration in the changing geopolitical context of the South Caucasus after the Second Karabakh War should also be analysed concerning the historical evolution of the Turkish foreign policy in the South Caucasus and the nature of bilateral relations between Azerbaijan and Turkey. The next sections are structured as follows; a) An overview of the Turkish foreign policy in the South Caucasus and a discussion of the Azerbaijani-Turkish strategic partnership, b) the Turkish political and intellectual elite's perspectives on regional cooperation and integration before the II. NK war, c) Turkish political and intellectual elite's remaining and changing perspectives after the Second Karabakh War.

Overview of the bilateral relations between Azerbaijan and Turkey

The bilateral relations between Azerbaijan and Turkey are unique, exceptional, and privileged. Both countries attribute the highest value and importance to their relationship at the state and society levels. The motto "one nation, two states" has frequently been used to attribute the highest value and importance to bilateral relations. The themes and issues that define this relationship are commonly referred to by the political and intellectual elite on both sides. They are strongly supported by public

opinions, intensive societal dialogue, and unquestionable sympathy toward each other.⁸⁶ Both countries enjoy a privileged status and attribute particular prestige to each other. Patterns of unity and solidarity dominate the bilateral relations between Azerbaijan and Turkey. Turkey's position in the latest Karabakh war exemplifies this exceptional, deepened cooperation and strategic partnership.

The significance of bilateral relationships is essential for securing stability and security in the Southern Caucasus. Turkey and Azerbaijan have a shared perception of regional security and development. The relationship also has a significant economic dimension, particularly in energy and transportation, providing both countries opportunities to integrate into wider networks of economic relations through international projects such as the Baku-Tbilisi-Ceyhan Pipeline and Trans Anatolian Gas Pipeline. Furthermore, the reconstruction efforts of the Azerbaijani government after the Second Karabakh War offered an excellent market for the Turkish construction sector, whose firms jointly develop projects with Azerbaijan.

For Azerbaijan, the image of Turkey is well-rooted in historical memory. In the post-Soviet period, Turkey was the first country to recognise the independence of Azerbaijan. Turkey also refused to establish diplomatic relations with Armenia until the Karabakh conflict was resolved to Azerbaijan's preference. Moreover, Turkey extended its support to Azerbaijan on regional and international platforms. These moves have created deep gratitude among the Azerbaijani political and intellectual elite and public opinion. For Turkey, the collapse of the Soviet Union opened ways to redefine its foreign policy priorities, formulate new policies and develop new tools. Through discovering commonalities, particularly in culture and language, Azerbaijan constituted its closest ally among the newly independent states. The post-Soviet field also meant opportunities in a newly emerging market, development of new economic relations, investment, and profit maximisation through energy projects. Over time, the relationship has become institutionalised through official visits, signing agreements, and continuous support on all platforms. It is characterised by a goal-oriented approach to strategic alliance and partnership between the two countries.

The origins and basis for the motto of "one nation, two states" lay in four commonalities. First, Azerbaijan and Turkey share common historical, cultural, religious, and linguistic attributes. Second, both countries share a common enemy: Armenians historically constitute the prominent 'other' in both societies. Third, Azerbaijan and Turkey share common economic interests, and the bilateral relations between Azerbaijan and Turkey go beyond elite visions, initiatives, choices, and policies. It has a solid societal basis since the preferences of the political elite are supported by the public, which guarantees its preservation and consolidation.

Turkey's moral and political support to Azerbaijan during the Second Karabakh War deepened the relationship. The following factors contributed to this end:

1. The political leadership and policymakers of the two countries were in constant and continuous dialogue and consultation during the Second Karabakh War;
2. The continuous dialogue between President İlham Aliyev and President Recep Tayyip Erdoğan and the ministers of foreign affairs and defence showed evidence of this new deepening;
3. Turkey frequently supported Azerbaijan in conducting military operations at Karabakh, and news about the war was continuously broadcasted on all Turkish television channels with extensive coverage;
4. Turkish ministers of foreign affairs and defence and high-level bureaucrats paid frequent visits to Azerbaijan, underlining continuous support and consultation;
5. Turkish-made military drones, called Bayraktar (TB2), were used during the War, which significantly contributed to the Azerbaijani victory in liberating its occupied territories;

86 Comprehensive accounts identified numerous aspects of bilateral relations referring to different dimensions. See, C. Veliyev, *Azerbaycan-Türkiye Stratejik Ortaklığı*, İstanbul, Ötüken, 2020; M. İsmayilov and N. A. Graham (eds.), *Turkish-Azerbaijani Relations*, Oxon: Routledge, 2016; E. Soltanov, "Brothers in Arms of Brothers in the Dark?" in İsmayilov and Graham (eds.), *Turkish-Azerbaijani Relations*; A. Aslanlı and V. Kurban, "Türkiye-Azerbaycan İlişkileri ve Sivil Toplum Kuruluşları", *Marmara Türkic Studies Journal*, Vol. 3 (1), 2016; F. İsmayilzade, "Turkey and Azerbaijan: The Honeymoon is Over", *Turkish Policy Quarterly*, Vol. 4 (4), 2005.

6. The celebrations after the victory were held with the participation of President Erdoğan, showing Turkey's privileged status in the country.

The Shusha Declaration was made on 15 June 2020 and was ratified by Azerbaijan and Turkey in 2022. This Declaration underlines the importance of unifying opportunities and potentials in the political, economic, defence, cultural, education and health sectors. Repeating the significance of high-level strategic partnership and cooperation at all levels, the Declaration strongly emphasises the security dimension of bilateral relations. The Shusha Declaration further consolidated the security cooperation between the two countries. It outlines specific modes of joint efforts to reorganise and modernise the Azerbaijani Armed Forces, military staff exchange, joint education, and military exercises to strengthen their defence capacity and security, as well as compel collective action in the event of third-party aggression against the independence or sovereignty of either of the parties. It also foresees regular joint meetings of the two countries' security councils. This implies that both countries will have a common agenda and policy regarding their aggregated security interests which will be jointly consulted and negotiated.

The Economic dimension is the central pillar in strengthening the common interest/profit. The construction of the Baku-Tbilisi-Ceyhan Oil Pipeline resulted from both Azerbaijan's and Turkey's political will and preferences. This has been followed by the Baku-Tbilisi-Erzurum Natural Gas Pipeline, the Trans Anatolian Pipeline Project (TANAP), and Baku-Tbilisi-Kars Railway. These are significant examples of economic cooperation in energy and transportation. Turkish investment in Azerbaijan and Azerbaijan's investment in Turkey are also remarkable. This creates a mutual dependence in both countries for representing economic interests and profit maximisation. Economic cooperation supports the foreign policy priorities of both countries significantly. They should not be elaborated as mere trade relations but as a vision and project that builds the future and connects future generations.

Turkey has significantly contributed to restoring the Azerbaijani military forces and its army by providing education and training to Azerbaijani soldiers. Many Azerbaijani military personnel have studied in Turkish military schools. Over the past 30 years, this has created a generation of Turkish-trained military staff to contribute to the national army building of Azerbaijan and its empowerment. In 2007, Turkey and Azerbaijan formalised this practice by signing the High-Level Military Dialogue Agreement, which envisages cooperation in the military education and defence sector, providing military-technical equipment and aid to Azerbaijan. In August 2010, they ratified an agreement on Strategic Cooperation and Mutual Aid which underlines an effective consultation in cases of security threats. Establishing the High-Level Strategic Cooperation Council between Turkey and Azerbaijan in December 2010 meant further institutionalisation of the partnership. As part of this, both countries agreed to support each other "using all possible means" in the case of a military attack or "aggression" against either of them. Plans to upgrade hardware for joint military operations, cooperation in "military-technical" areas, joint military exercises and training sessions were also specified.

Between July and September 2020, Turkey and Azerbaijan completed joint military exercises, and later, Azerbaijan's military operations were supported with very high-level declarations. Turkish president Recep Tayyip Erdoğan stated that the Turkish nation supports its Azerbaijani brothers with all its resources⁸⁷ and strengthens its solidarity.⁸⁸ The Turkish Ministry of Foreign Affairs declared, "Azerbaijan will surely use its right of self-defence to protect its people and territorial integrity". In this vein, Turkey fully supports Azerbaijan with unwavering solidarity. We will stand by Azerbaijan

87 "Cumhurbaşkanı Erdoğan: Türk milleti tüm imkanlarıyla Azerbaycanlı kardeşlerinin yanındadır", *Anadolu Agency*, 29 September, 2020. <https://www.aa.com.tr/tr/azerbaycan-cephe-hatti/cumhurbaskani-erdogan-turk-milleti-tum-imkanlariyla-azerbaycanli-kardeslerinin-yanindadir/1987256>

88 "Cumhurbaşkanı Erdoğan: "Türk milleti her zaman olduğu gibi bugün de tüm imkânlarıyla Azerbaycanlı kardeşlerinin yanındadır" *Anadolu Agency*, 27 September, 2020, <https://www.iletisim.gov.tr/turkce/haberler/detay/cumhurbaskani-erdogan-turk-milleti-her-zaman-oldugu-gibi-bugun-de-tum-imkanlariyla-azerbaycanli-kardeslerinin-yanindadir>

whichever way it prefers”.⁸⁹ Foreign Minister Mevlüt Çavuşoğlu summarised this statement by saying, “We stand by Dear Azerbaijan in the field and on the table.”⁹⁰ Similarly, Turkish Defense Minister Hulusi Akar stated that they would stand by “Azerbaijani Turkish brothers with all resources till the end.”⁹¹ During his visit to Baku, Çavuşoğlu noted that Turkey and Azerbaijan could even be counted as one state when necessary. Turkish public watched the news on Azerbaijan and Karabakh during the entire war process, and the media coverage was extensive compared to any other period since Azerbaijan’s independence. A scant look at social media accounts in Azerbaijani accounts frequently uses the Turkish flag emoji with the Azerbaijani one. One could often observe the use of both countries’ flags side by side in the major cities of Azerbaijan. Public celebrations after the cease-fire agreement on the 10th of November were held with both Azerbaijani and Turkish flags. Turkey’s stance in the latest conflict was much more proactive, assertive, and involved. At the same time, however, Turkey rejected all allegations of Turkish military support during the operations.

The societal dimension is the backbone of the bilateral relationship between Azerbaijan and Turkey.⁹² The bilateral relations are not only about the elite’s visions and projects. The perceptions and feelings of both countries’ public opinions are highly positive. That is why they are more likely to endure. The awareness is exceptionally high and exceptional as well. It is outstanding since it existed without the interventions of the governments. Therefore, any analysis of bilateral relations should also consider the impact of societal dialogue. Turkish public opinion’s attachment to Azerbaijan is more emotional and intuitional. It is not very much aware of Azerbaijani domestic politics yet has strong sensitivity and support for the Karabakh problem due to the presence of the common enemy. The public considers Azerbaijan the best ally each year in opinion polls. However, they do not have first-hand knowledge and experience in and on Azerbaijan, collective memory, cultural affinities, and the proximity of the language condition these perceptions. Thus, Azerbaijani and Turkish public opinions share both joy and sorrow.

Turkey – Armenia relations

The bilateral relations between Turkey and Armenia,⁹³ even the lack of it, are mainly shaped by the historical legacy of what happened to Anatolian Armenians during the last years of the Ottoman Empire, which are characterised by hostility, reciprocal perception of threat and extreme lack of trust. The othering and the hatred are well preserved in the historical memory of both nations. Turkey’s unconditional support to Azerbaijan from the initial stages of the Nagorno-Karabakh war and its unwillingness to build up bilateral relations with Armenia until the territorial integrity of Azerbaijan was resolved is not only an expression of solidarity. It is also a by-product of preserving the sense of historical disconnect to Armenians. It can be argued that Turkey’s relations with Azerbaijan primarily inform attempts to normalise relations between Turkey and Armenia. Thus, the bilateral relations between Azerbaijan and Armenia will also affect the normalisation between Turkey and Armenia.

Ties between Azerbaijan and Turkey were challenged during earlier normalisation processes between Turkey and Armenia. Although Turkey’s relations with Armenia have been conditioned to restore

89 «SC-94, 27 Eylül 2020, Dışişleri Bakanlığı Sözcüsü Hami Aksoy’un Ermenistan’ın Bu Sabah Azerbaycan’a Karşı Başlattığı Saldırı Hakkındaki Soruya Cevabı”. *Turkish MFA*, https://www.mfa.gov.tr/sc_94_ermenistan-in-azerbaycan-a-karsi-baslattigi-saldiri-hk-sc.tr.mfa

90 “Dışişleri Bakanı Çavuşoğlu: Sahada ve masada can Azerbaycan’ın yanındayız”. *Anadolu Agency*, 28 September, 2020, <https://www.aa.com.tr/tr/azerbaycan-cephe-hatti/disisleri-bakani-cavusoglu-sahada-ve-masada-can-azerbaycan-in-yanindayiz/1987611>

91 “Milli Savunma Bakanı Akar: Sonuna kadar Azerbaycan Türkü kardeşlerimizin yanında olacağız”. *Anadolu Agency*, 28 September 2020, <https://www.aa.com.tr/tr/azerbaycan-cephe-hatti/milli-savunma-bakani-akar-sonuna-kadar-azerbaycan-turku-kardeslerimizin-yaninda-olacagiz/1987230>

92 See, A. Ergun “Azerbaijani Turkish Relations: Special, Exceptional and Privileged”, *Baku Dialogues*, Vol. 4 (2), 2020, pp. 52-64.

93 For a comprehensive overview, see C. Aktar and R. Giragosian (2013) *Turkey-Armenia Relations*, EPRS: European Parliamentary Research Service. Retrieved from <https://policycommons.net/artifacts/1340444/turkey-armenia-relations/1950981/on> 03 Apr 2022. CID: 20.500.12592/6tgc86; Fiona Hill, Kemal Kirişçi and Andrew Moffitt (2015) “Armenia and Turkey: From Normalization to Reconciliation”, *Turkish Policy Quarterly*.

Azerbaijan's territorial integrity, Turkish-Armenian relations have pressured Turkey on international platforms. This situation has thus remained a challenge for Turkish foreign policy.

Informed by their policy of "zero problems with neighbours" of the time, Turkish foreign policymakers initiated a normalisation process between Armenia and Turkey between 2008-2009. The process started with the so-called "football diplomacy". Turkish President Abdullah Gül first visited Erivan to watch a FIFA World Cup game between the two national teams upon the invitation of Armenian President Serj Sarkissian. Reacting to this, President Ilham Aliyev cancelled his trip to İstanbul for the Alliance of Civilizations Summit held in April 2009. At the same time, a delegation of Azerbaijani deputies came to Ankara and shared their concerns with numerous circles in Turkey, including deputies, leaders of political parties, and civil society representatives. Despite this, Gül invited Sarkissian to Turkey to watch the second game in October 2009.

Although the symbolic meaning should not be exaggerated, this was an initial attempt to normalise bilateral relations. The face-to-face meetings of the two presidents opened the way to negotiations between foreign ministries and, finally, the signing of the Zurich Protocols in October 2009. One of the protocols concerned establishing diplomatic relations between Armenia and Turkey. Although neither party proceeded with the domestic ratification process of the protocols and eventually dropped them from their agenda, they had a considerable impact on the bilateral relations between Azerbaijan and Turkey. The signing of the Zurich Protocols resulted in a severe crisis in Turkish-Azerbaijani relations. It seemed Turkey miscalculated the potential gains of normalising its relations with Armenia while underestimating how much this would disturb the Azerbaijani elite and public. Trust was fully restored when the High-Level Strategic Cooperation Council was established between Turkey and Azerbaijan in December 2010.

The international community, particularly the EU and the USA, promoted, encouraged, and supported the normalisation process between Turkey and Armenia. The first attempt to normalise relations in 2009 failed due to the lack of Azerbaijani support and firm commitment by both parties. In the changing geopolitical context of the post-Second Karabakh War, Turkey and Armenia again declared they were ready to normalise bilateral relations. The matter would be an integral part of the peacebuilding in the region. Yet, the initial rapid move of appointing special representatives by both countries was unexpected. Even their subsequent meetings in January and February 2022 signalled a relatively immediate attempt to show their commitments. So far, both parties have agreed to talk about normalisation. However, the content, the mechanisms, and the tools are yet to be known. This becomes more important as normalisation this time should not only be concerned about establishing diplomatic relations (although this is the stated goal in the current process); it should, in the long run, also be about overcoming the historical enmity which persists, not only among the elites but also well preserved by the public opinions.

This time, learning from previous attempts, Turkey secured Azerbaijan's approval and consent. Although pro-peace and pro-cooperation arguments prevail in the existing situation, to what extent public opinions of Armenia and Turkey are ready for normalisation is questionable. Especially in Armenia, which is recovering from the shock of a recent defeat at the hand of Azerbaijanis with the help of Turkey, the policy line adopted by the government of not mentioning the 1915 events and arguing that "these issues should be left to a later stage as what is engaged at this moment is a normalisation of relations not reconciliation between the two nations" receives widespread scepticism and opposition. Admittedly, Turkish society remains distanced from the process so long as Azerbaijan does not object and the genocide issue is not particularly highlighted. Nevertheless, the degree of commitment of both governments to the process is also unknown at the moment, and how this would be sustainable remains vague.

Moreover, Azerbaijan enjoys the status quo and has quickly reconstructed the Karabakh region. How the peace-building process between Azerbaijan and Armenia evolves will also determine the path for the normalisation between Armenia and Turkey since Azerbaijan's consent is now a precondition for the normalisation. In cases where Azerbaijan would dismiss its approval, one should not expect anything promising for the normalisation between Turkey and Armenia.

Finally, the normalisation of relations between Armenia and Turkey would be gradual and slow, and both parties would prefer to be cautious. The legacy of the past will not easily be overcome; the mutual perceptions persist in the historical memories, and a lack of trust still exists. A peace agreement guaranteeing the complete restoration of the Azerbaijani territorial integrity will significantly sustain Turkey's commitment to the normalisation process. To what extent Armenia's political elite and public opinion would embrace and accommodate the requirements of the normalisation process is yet to be seen since Turkish-Armenian relations are a fundamental and sensitive matter in domestic politics, rhetoric, and discourse in Armenia - more than in Turkey.

Discourses and perspectives on regional cooperation

By the time of the collapse of the Soviet Union, Turkey's foreign policy towards the South Caucasus in general, and Azerbaijan in particular, was informed by a) friendly bilateral relations, b) Turkey's connections with the West, c) its economic interests; d) regional and international actors' demands for securing stability and ensuring security in the region. Turkey's role in the region as a successful model of a secular, democratic nation-state was promoted by Western actors, namely the US and the EU, to alleviate enduring Russian influence and the potential for Iranian influence. Turkey was seen as a reliable actor in promoting Western interests in the region and was accepted as a gate to the West in Azerbaijan. The extremely pro-Turkish position of the ruling elite of Azerbaijan in the early years of independence had a considerable impact on shaping bilateral relations. But to what extent the post-Soviet space is still a priority for Turkish foreign policy? The observation is that the AKP governments especially have not seemed to attribute a more significant role to the South Caucasus and Central Asia in Turkish foreign policy. Thus, prioritising Africa, the Balkans, and the Middle East overshadowed Turkish involvement in the post-Soviet Caucasus space.

Political, intellectual, and civil society elites mainly associate regional integration with the following themes: security, respect for protecting territorial integrity, difference, and similarities. Borders signify "what belongs to us and what is outside us." This implies that possibilities for regional integration should be sensitive to the following:

- a. The historical and existing threats to security as well as perceptions about the threats among the regional actors (i.e., memories about conflicts and wars, othering and 'us versus them' dichotomy where the previous Soviet "insider other" becomes the "outside enemy" in the post-Soviet period);
- b. To what extent differences (ethnic, cultural, linguistic, and religious) can be accommodated, acknowledged, and overcome;
- c. To what extent similarities would be underlined, and shared interests can be found;
- d. Unresolved conflicts prevent any cooperation, and the old longings for territory and ideas of taking it back strengthen the nation-building process yet decrease the chances of peaceful coexistence in case of conflict resolution.

Scenarios envisaging the patterns of regional cooperation and possibilities for regional integration should acknowledge not only territorial borders but also cultural and psychological borders. The legacies inform them of the past, facts, and events shaping historical memory and conflicts of the post-Soviet period. This is particularly relevant for countries experiencing ethno-territorial conflicts.

One should be mindful of the Russian factor in the potential framework of regional cooperation schemes. The Russian Federation's political and cultural influence remains dominant in the region and will likely endure. It does not want to promote/support a regional identity outside its sphere of influence and to see regional countries have their initiatives. It is one of the essential others for the Azerbaijani and Georgian elite that poses a grave and existential threat to political independence and sovereignty. Unlike in the case of Georgia, the Azerbaijani political elite successfully manages not to disturb Russia, acknowledging its power to create stability and security in the region and to disturb the regional countries' territorial integrity. Azerbaijan's solid understanding is that territories would

not have been lost in the early 1990s without the Russian involvement in the Karabakh conflict. Currently, there is also an implicit recognition that without its consent, the salvation of the occupied territories would not be possible. In the existing situation, the pro-active involvement of Turkey seems to counterbalance the Russian factor and gives Azerbaijanis a feeling of security.

However, the current relationship between Russia and Turkey also lies in a delicate balance. This does not imply that the Turkish political elite would ever consider decreasing its support for Azerbaijan but would prefer the existing status quo to be preserved for as long as possible. The Russian factor is yet to be reconsidered and retreated, and new modifications should be revisited. The potential involvement of Western actors is argued to be productive in decreasing the decisive power of the Russian Federation. Who the actors would be and what the mechanisms/schemes and tools are yet to be determined under the relative silence and lack of presence by any Western countries and institutions. One should also note that their effectiveness is highly questioned, and reliance is significantly decreased, particularly in Azerbaijan. In this context, Turkey is not only enjoying its proactive position as one of the main determinants of the Azerbaijani victory but also consolidating itself as one of the two regional actors that any Western counterparts would sit at the table with.

Turkey, in this context, is a reliable ally, a friendly and brotherly nation, and a state. Yet it has yet to create and/or foster a regional identity but intensified bilateral relations with Azerbaijan and Georgia. The packing of Azerbaijan, Georgia, and Turkey is an excellent example of partial cooperation and/or integration. It represents success stories, including BTC and TANAP. However, regional problems overshadow the potential for regional integration. Unresolved conflicts, newly emerged conflicts (Georgia and Ukraine), and territorial integrity violations foster insecurity and threat.

It can be argued that nothing substantial has changed since the Second Karabakh War in the discourses on and perceptions of the Turkish political elite towards Azerbaijan. As of 2021, the geopolitical context, which will inform future priorities, has changed significantly. The 2nd Nagorno-Karabakh War was also a test for Turkey in its immediate neighbourhood. This was a test to strengthen its role in the region and to become a more prominent security actor. It has restored its position as one of the two leading countries along with Russia. This is also a result of a tentative consensus between Russia and Turkey. Yet it is not easy to predict how long this consensus will last. Turkey and Azerbaijan have good relations with Georgia, which considers Russia the most significant threat. The relationship between Azerbaijan, Turkey, and Georgia has been called “exemplary”, “promising,” and “groundbreaking”.⁹⁴ It is often referred to as a strategic partnership, yet the connotations of that relationship go beyond the notion of strategic goals. It is instead an act of solidarity (against Russia) to respect the territorial integrity of Azerbaijan and Georgia, an expression of the will to intensify energy politics further, and a message that regional cooperation is possible where parties are committed based on trust and strategic partnership.

The future of the region is still unpredictable and remains fragile. The question is how this fragile condition would be accommodated by regional countries, particularly in the context where the presence of Europe and the USA remains limited and obscure.

3+3, a six-party cooperation platform, is the only proposed regional cooperation alternative. Its feasibility is questionable as there must be a real commitment to the normalisation and reconciliation efforts in the region, which are yet to be seen and confirmed. Georgia is also unwilling to participate if Russia sits at the table. After the war, the scholarly discussions and suggestions by policymakers focus on the following themes: confidence-building, dialogues for cooperation, and ways or alternatives for collaboration. The parties involved underline the importance of regional connectivity, economic development, profit maximisation, and initiatives in transportation and trade. Yet the issue of achieving mutual trust also needs to be addressed.

⁹⁴ For a detailed discussion, see M. Çelikpala and C. Valiyev, “Azerbaijan-Georgia-Turkey: An Example of a Successful Regional Cooperation”, *Kadir Has University CIES Policy Brief*, 2015.

Conclusion

After the Second Karabakh War, the geopolitical context shows that a revised needs assessment should involve more active Western actors that are currently less visible and effective. The geopolitical context is rather regionalised, where Turkey, Russia, and, to a lesser extent, Iran consolidated their sphere of influence, each siding with one or two South Caucasian countries.

Azerbaijani-Turkish relations are well consolidated, and both countries enjoy their strategic partnership. It would not be an exaggeration to argue that victory over the occupied territories is commonly owned. They require further deepening through strengthened institutionalisation. The triangular relationship between Azerbaijan, Georgia, and Turkey offers excellent chances for regional integration, extended cooperation, and de-bordering of the cultural and psychological borders. Yet Georgia seems hesitant to be involved in any cooperation mechanism in which Russia participates.

Turkey's political and intellectual elite and societal actors unanimously supported Turkish involvement as a proactive and game-changer actor during and after the War. Other than the Peoples' Democratic Party (HDP) and the Turkish Workers Party (TİP), who shared a pro-peace and anti-war position, all political opposition parties supported Turkey's position during the war. The Turkish public watched the unfolding events, with most TV channels providing full coverage. What has changed after the War is the map of the region with the restoration of the territorial integrity of Azerbaijan. Turkey restored its geopolitical position as a game-changer and proactive actor. Ideas are flowing for regional cooperation where Azerbaijan and Turkey act as one entity. Additionally, with the Azerbaijani re-construction project in the Karabakh region, a new market for Turkish firms that enjoy economic profit has emerged.

Economic cooperation is one of the most vital emerging fields to overcome uneasy if not conflictual, regional interests. Trade and transport projects are presented as the most feasible projects to contribute to regional cooperation. Yet most commentators also suggest it is too early to discuss a possible format, schemes, and institutionalisation. 3 +3 formula, which Azerbaijan and Turkey support, is not easy to be achieved in the short run.

The nature of the normalisation process of relations between Armenia and Turkey and what the potential normalisation could offer is yet to be seen. The reciprocal appointment of special representatives is a significant move that signifies goodwill. The first two meetings, held in January 2022 in Moscow and February 2022 in Vienna, underlined that negotiations would occur without any preconditions. It should be noted that Azerbaijani support should also be continuous. This is highly dependent on the bilateral relations between Azerbaijan and Armenia and the fate of the peace-building process. Since there is no commonly agreed ground between Azerbaijan and Armenia on securing peace, one can argue that the lack of consensus constitutes a source of fragility for the normalisation process. Turkey will suspend the process if there is decreasing support and a lack of consent from the Azerbaijani side. One can expect slow, gradual, and cautious steps by Armenia and Turkey. Over-expectations and raised optimism can be considered naïve, knowing the background of the bilateral relations between the two countries embedded with mutual hostility and perception of threat. Political elites' choices and initiatives are essential, yet public opinions about normalisation are very sensitive and conscious. It can be easily translated into domestic politics and has strong potential to pave the way for public resentment. This rather pragmatic initiative should also invest in the preparedness of public opinion.

Finally, Russia's position as the most powerful actor in the region should also be considered. That the first meeting of the special representatives was held in Moscow has a symbolic meaning. It not only signifies Russia's support but also underlines its willingness to participate in the process and highlights its monitoring position. Turkey may have preferred to hold the meeting on a more neutral ground yet seemed to agree with Russia, given the Turkish-Russian coalition in the South Caucasus.

Regarding the Turkish political perspective, it is right to suggest that the potential involvement of Western countries is not preferred, if not welcome, since it may decrease the Turkish status in the region. Yet Turkey will likely not resist a would-be international involvement knowing that the Azerbaijani side is in constant consultation. Turkish policymakers enjoy their leading and decisive position in the

region. They may not necessarily want to include any Western actors in order not to decrease their glorified status, at least in the eyes of the Azerbaijani side.

Russia and Turkey currently cooperate rather than compete in the region. Yet, as argued before, it is a delicate balance to sustain. The presence of Russian troops in all three countries of the South Caucasus is a significant threat to all regional countries. Regional cooperation initiatives should accommodate the Russian factor but preferably in a more balanced way, noting that its format is debatable. It is also yet to be determined what the impact of the Russian war in Ukraine will be on the region.

THE ROLE(S) OF EXTERNAL ACTORS

Siri Neset, Mustafa Aydın and Arne Strand

The Second Karabakh War once again highlighted the failure of the international institutions, primarily the OSCE, and the Western actors, to solve the decades-long conflict diplomatically. France, the U.S., and Russia co-chaired the Minsk Group, created in 1992 to spearhead the OSCE's efforts to find a peaceful solution to the Nagorno-Karabakh conflict. Although Belarus, Finland, Germany, Italy, Sweden, Turkey, Armenia, and Azerbaijan were members of the Minsk Group, it came to be associated with its co-chairs and their failure to promote a peaceful negotiated solution to the conflict. Although it was active early on and proposed alternative solutions, it has recently become sidelined with mounting criticism, especially from Azerbaijan. In the recent battle, Russia took control and ignored France and the U.S. when organising the ceasefire agreement.

Implementing the Russian-imposed ceasefire for Nagorno Karabakh represented an apparent success for Russian diplomacy and influence in the region. In contrast to other conflicts in the post-Soviet space, Russia had not had a military presence in Nagorno-Karabakh until the end of the recent hostilities. As Russia is now accorded to have its peacekeepers in Nagorno-Karabakh for five years at least, this has increased Russian power projection and influence on the broader region and over Azerbaijan. Moscow further consolidated Armenia's place within the Russian orbit, limiting its room for manoeuvre in seeking closer relations with Western countries. Finally, with its positioning both militarily and diplomatically, Russia accomplished positioning itself as a gatekeeper vis-à-vis international initiatives. However, its role(s) envisioned for the West in the region was unclear. Russia indicated that it wanted to see the continuation of the diplomatic mechanism of the Minsk Group. However, at the time, the French co-chair was perceived, especially by Azerbaijan and Turkey, as highly biased. Meanwhile, the U.S., although considered impartial, was perceived as withdrawing from the region. Russia was (and still is) perceived as having an interest in stabilising the conflict without solving it, as this serves Russia's long-term regional interests and goals of solidifying its presence and influence, keeping the regional countries in a state of insecurity, and keeping Western security institutions out of the region.

Later, however, Russia seemed to prefer restoring the OSCE Minsk Group's involvement in post-conflict stability efforts as this would, we argued, cement Russia's role as the diplomatic driver and holder of the initiative. This would garner diplomatic dividends from Paris and Washington, as the French and American co-chairs would be forced to follow Moscow's lead. Moreover, as stated in our previous report, accepting the Russian invitation to the U.S. and France to rejoin the diplomatic process over post-war Nagorno Karabakh negotiations would legitimise Russia's unilateral deployment of peacekeepers to the region. This would also offer Moscow the utility of "burden sharing," where the resurrection of the OSCE Minsk Group would further pave the way for the E.U., the U.N., and a more prominent OSCE-organized donors' conference to pay the cost of post-war stability and reconstruction. A third notable benefit for Russia was that this scenario would effectively leverage France and the U.S. to counter Turkey's aspirations for a more assertive role in the post-war region.

However, the onset of the Russian war in Ukraine has rendered the involvement of the OSCE and the Minsk Group in the Nagorno-Karabakh negotiations somewhat unclear as the Western powers opposed the Russian invasion of Ukraine, ended cooperation with and imposed sanctions on the country. Nevertheless, as we proposed in our interim report, the OSCE could still assist Armenia and Azerbaijan in their effort to move forward by establishing a monitoring mission on the Armenia-Azerbaijan border, helping them develop confidence-building measures, having a presence on the ground to report on local complaints and monitor harmful activities, and finally, cooperating and coordinating with international organisations like the U.N. However, because of Russia's co-chairmanship of the group, the role of the Minsk Group is less clear. Its presence in Nagorno-Karabakh itself, though very useful, is complicated because of the Russian peacekeeping force in the area. As such, any further

OSCE presence would require cooperation with Russia, something the Western countries would probably wish to avoid as long the Russian occupation of Ukraine continues.

Within the region, Armenia stated that it would want to see the process with the Minsk group continue,⁹⁵ and the U.S. Assistant Secretary of State Karen Donfried noted in June 2022 that the U.S. would be willing to work with Russia in the context of facilitating a settlement of the Nagorno-Karabakh conflict and despite their differences on other issues.⁹⁶ Azerbaijan stated on June 16 that the Minsk group is no longer a viable actor.⁹⁷ Russia has not officially responded to the U.S. statement. Still, in a statement the day after the U.S. comment, the Russian Foreign Ministry spokeswoman Maria Zakharova stated that Washington and Paris had neglected the OSCE Minsk Group mandate.⁹⁸

Russia had established a clear advantageous position in the region before the attack on Ukraine on February 24th, 2022. The Russian position has somewhat changed since then, and the invasion of Ukraine sent shockwaves throughout the South Caucasus. In general, all three South Caucasian countries have reached out to connect with Europe and the U.S. while keeping their heads down not to draw negative attention from Russia. Turkey maintained a delicate balance between Ukraine and Russia and between its Western partners and Russia by sending drones and other armaments to Ukraine while avoiding joining the Western sanction on Russia. However, Ankara realised that the war was testing the limits of its collaboration with Russia, including in the Caucasus, after the Second N.K. War.

In the aftermath of the Second Karabakh War, Russia dominated all discussion platforms, so only some envisioned a role for external actors in the peace process. However, Russia's primary focus on Ukraine presents external actors with greater room for manoeuvre. In addition to the OSCE, there is an opportunity for the E.U. to facilitate and/or encourage peace talks between Armenia and Azerbaijan. This work was started before the 24th of February but has intensified as of late and is making real progress.

While Russia was in the driver's seat early in the peace negotiations between Armenia and Azerbaijan following the Second Karabakh War -even determining the pace and the content of the talks- it primarily focused on trade and transport routes, postponing the discussion of the issues of delimitation of borders and the status of Karabakh. This led to questioning its intent and commitment to resolving the conflict, mainly because it is clear that a peace deal between Azerbaijan and Armenia would weaken Russia's influence over these countries and in the Caucasus in the long run.

The situation also became the catalyst for peace negotiations between Armenia and Azerbaijan. Azerbaijan and Armenia have, for thirty years, viewed each other as the main threat to their national security.⁹⁹ There is a possibility that this perception is changing due to the Ukraine war. The argument is that if Ukraine, the largest country in Europe, can be attacked with the intention of Russian re-colonisation so blatantly, so can any other post-Soviet state. In this sense, the threat perceptions about each other look manageable compared to the one they perceive from their regional hegemon.

In this context, regional stability is increasingly perceived as the best protection against further Russian encroachment in the Caucasus. This drives Armenia and Azerbaijan toward finding a solution to the Nagorno-Karabakh conflict.¹⁰⁰ While some in Yerevan air their concerns about Azerbaijan's eagerness to push for an earlier solution that might weaken the Armenian government vis-à-vis the opposition, even leading to a coup d'état or violent clashes,¹⁰¹ Azerbaijanis on the other side are

95 Ministry of Foreign Affairs of the Republic of Armenia, "Answers of the Foreign Minister of Armenia to the questions of 'Armenpress' news agency", 17 June 2022, https://www.mfa.am/en/interviews-articles-and-comments/2022/06/17/Armenpress_FM/11504.

96 H. Buniatian, "US Says Ready to Work with Russia on Karabakh Peace", *The Armenian Mirror-Spectator*, 21 June 2022, <https://mirrorspectator.com/2022/06/21/us-says-ready-to-work-with-russia-on-karabakh-peace/>.

97 A. Mirzoyan, "Ilham Aliyev: 'War Was Inevitable; Minsk Group Dead'", *Hetq*, 16 June 2022, <https://hetq.am/en/article/145646>.

98 "Russia accuses Washington and Paris of disregarding OSCE Minsk Group mandate", *ARKA news agency*, 22 June 2022, https://arka.am/en/news/politics/russia_accuses_washington_and_paris_of_disregarding_osce_minsk_group_mandate/

99 Webinar: "Armenia-Azerbaijan Negotiations: New Context and New Challenges", *Caucasus Edition*, <https://www.youtube.com/watch?v=-3kW1Srpt5Q&list=WL&index=4&t=3322s>.

100 Webinar: "Are Armenia and Azerbaijan headed towards Normalization? Part 2 Azerbaijan", *Rondeli Foundation*, <https://www.youtube.com/watch?v=-yDCRO9US8k>.

101 Webinar: "Armenia-Azerbaijan Negotiations: New Context and New Challenges".

activated with a sense of urgency to resolve the problems between Armenia and Azerbaijan because of looming uncertainty shortly. As one Azerbaijani analyst expressed,

“Big changes are coming to our region. The post-Soviet period ended with the Karabakh II War. But what is coming? Look at Ukraine. We might see big military clashes and/or a reconfiguration of the geopolitical and geo-economic reality. The important question that drives the urgency is that one does not know what is coming next for the region following the Ukraine War. Whatever happens, it is perceived to be important to have a united South Caucasus”.¹⁰²

There is a clear awareness of a change in the region about the regional power balance between Russia and Turkey, and maybe Iran, and the region's relations with external powers, like the E.U. and the U.S. However, the outcome is still in flux. The war in Ukraine is thus perceived to have three dimensions in this context: (1) War between Russia and Ukraine, (2) War within Ukraine between different groups; and (3) War between Russia and the West/NATO with Ukraine and Ukrainian minority groups as proxies. Moreover, Moldova is viewed as the next likely battleground.

For now, South Caucasian countries seem to benefit from the attention being on another arena, but this can change quickly. As a result, increasing the stability within the region is perceived as the best medicine to avoid becoming the next target of proxy warfare. First and foremost, normalising relations between Azerbaijan and Armenia (and between Turkey and Armenia) through the peace process is considered the prerequisite.

The fact that Russia is not focused on the South Caucasus is also visible in the need for trilateral meetings within the peace process and the much-touted trilateral working group on trade and transport routes/infrastructure. According to an Azerbaijani analyst, Russia will not be expected to engage in these forums for some time, or at least so long as it is still involved in Ukraine.¹⁰³

Moreover, the status of the Russian peacekeeping force in Karabakh is now open to discussion in Baku. Before the Russian attack on Ukraine, what would happen after the five years foreseen in the ceasefire agreement was uncertain and not talked about. In contrast, the opinion that the forces should leave in 2025 is expressed openly in public and private conversations.¹⁰⁴

The EU has also become a more proactive actor in the peace process. Although the EU was also an active outsider before the war in Ukraine, it was much more cautious about its role in the region and the peace talks, lest its presence annoys Russia. The current success of the E.U.'s involvement in peace negotiations is attributed to its approach as a facilitator rather than a classic mediator. This allows the two parties to engage directly to determine the framework, the process, and the peace deal instead of through Russia or within the presence of Russia. This is a different approach from the earlier Minsk Group attempts and Russia's strategy in the aftermath of the Second Karabakh War. Both Armenian and Azerbaijani experts view this process as cautiously optimistic. Nevertheless, they see Russia as a possible spoiler of the E.U.'s involvement.

Current Russian inattention to the Caucasus also opens a window of opportunity for Turkey to move along with its normalisation with Armenia, thus contributing to a possible increase in its standing there. If Turkey can move fast in the process, overcoming its reluctance to upset Azerbaijan, Turkey would quickly become a challenge to Russian dominance in the region. However, this would necessitate Turkey rehauling its Russian policy. Whether Turkey would prefer to go along this way is still being determined. Its relations with its Western partners are still shaky, and presidential and parliamentary elections are coming within a year.

During the last two decades, Georgia has tried to distance itself from the South Caucasus, connect more with Ukraine and Moldova and create a new Black Sea identity. The partnership between

102 Webinar: “Are Armenia and Azerbaijan headed towards Normalization? Part 2 Azerbaijan”; Webinar: “Are Armenia and Azerbaijan headed towards Normalization? Part 1 Armenia”. *Rondeli Foundation*, <https://www.youtube.com/watch?v=eCjx0Z8dFAM>.

103 Webinar: “Armenia-Azerbaijan Negotiations: New Context and New Challenges”.

104 Ibid.

Georgia, Ukraine and Armenia has often been called “the associated trio” in E.U. integration. Georgia’s distancing from the South Caucasus has been taking place for several reasons, including Russian dominance of the region, the frozen conflict between Azerbaijan and Armenia, and a consequence of a political choice made by political elites to move closer to the E.U. and to present Georgia first and foremost as a European country.

Nevertheless, Georgia’s recent attempt to reposition itself as a Black Sea country instead of a Caucasian country has also been problematic due to Russia being part of the Black Sea region. Georgia’s difficulties in its neighbourhood – whether the traditional Caucasian or more recent Black Sea identity – can be observed in how it has approached the situation in Ukraine. Since the invasion of Ukraine, Georgia’s policy has been confusing – especially considering its strategic partnership with Ukraine, its shared experience and history of Russian aggression and its general foreign policy orientation. Initially, Georgia condemned the Russian invasion and supported several critical decisions in international forums. However, it did not join sanctions or any other measures the U.S. and its allies took. Prime Minister Irakli Garibashvili received much criticism domestically, from Ukraine, and others for arguing that the sanctions would not end the war and would harm Georgia and Georgian interests.¹⁰⁵ Consequently, Georgia’s relations with Ukraine have been damaged. Yet, in this case, Georgia is approaching the situation comparably to its fellow South Caucasian countries and not as an ally of Ukraine.

Georgia’s approach is not solely a consequence of external factors but also stems from domestic factors. As a small state without an immediate security benefactor, Georgia chooses to appease Russia. While the government argues that its policies are pragmatic, the opposition and large parts of the public oppose this, claiming that the policies alienate Georgia’s allies and ruin its reputation in the West.¹⁰⁶ Some Georgian analysts even argue that the Finlandization of Georgian foreign policy is developing.¹⁰⁷

Georgia applied for E.U. candidacy status with Moldova and Ukraine, and the European Commission recommended that Georgia get candidate status once several steps were taken. However, the Council’s final decision on June 23rd 2022, was that Georgia must fulfil those reforms identified by the Commission¹⁰⁸ before getting its candidate status.¹⁰⁹ While this is an obvious disappointment to many in Georgia, it makes Georgia’s position on the Russian border more precarious, and its various policies – particularly the response to the Ukraine situation – are now even more critical for Georgia’s search for a balanced position between its search for European identity and connection and the realities on the ground in the Caucasus.

There is no expectation of a dialogue between the West and Russia on South Caucasus issues, including the peace process between Azerbaijan and Armenia. In a best-case scenario, the three South Caucasian countries can support each other with a regional integration scheme. In this case, external actors should be used as a support group and a facilitator, as the regional countries take ownership of the situation and the process.

The regional situation is fragile, especially after the Russian invasion of Ukraine. Hence, the three countries need to discuss the situation and possible futures with external powers. There is a role for external actors to move the conciliation process forward by providing a suitable platform and guiding the discussion, given that the South Caucasus countries have had little experience in collaboration in recent years. Smaller states, like Norway, could play a role in this work due to their image as neutral and non-threatening and their experience in such processes.

105 J. Kucera, “Georgia says it won’t join international sanctions against Russia.” *Eurasianet*, 25 February 2022, <https://eurasianet.org/georgia-says-it-wont-join-international-sanctions-against-russia>.

106 Webinar: “The view from the South; the war from the perspective of Central Asia and the Caucasus.” *PONARS Eurasia*, https://www.youtube.com/watch?v=Y_TXNCvZA-E&ct=3342s.

107 K. Kakachia and S. Kakabadze, “Creeping Finlandization or Prudent Foreign Policy? Georgia’s Strategic Challenges amid the Ukrainian Crisis”, *PONARS Eurasia*, 2022, <https://www.ponarseurasia.org/creeping-finlandization-or-prudent-foreign-policy-georgias-strategic-challenges-amid-the-ukrainian-crisis/>.

108 European Commission, “Opinion on the EU membership application by Georgia”, 17 June 2020, https://ec.europa.eu/commission/presscorner/detail/en/qanda_22_3800.

109 “Grant EU candidate status to Ukraine and Moldova without delay, MEPs demand”, *European Parliament*, 23 June 2020, <https://www.europarl.europa.eu/news/ga/press-room/20220616IPR33216/grant-eu-candidate-status-to-ukraine-and-moldova-without-delay-meps-demand>.

The pressing question is that of the role of Russia in the region, not only in negotiations between Armenia and Azerbaijan but also regarding the territorial integrity of Georgia and the future of Abkhazia and South Ossetia. Some people in Azerbaijan and Armenia continue to stress the need to engage with Russia,¹¹⁰ and these sentiments are often heard in conversations on different regional platforms. However, it is unclear or even discussed what this engagement with Russia will look like and what the expected outcome is. When one puts this against the frequently mentioned argument that Russia as an actor in peace negotiations, has delegitimised itself with its more self-seeking behaviour, it exemplifies the fluidity and uncertainty of the current situation.

110 Webinar: "Armenia-Azerbaijan Negotiations: New Context and New Challenges"; Webinar: "Are Armenia and Azerbaijan headed towards Normalization? Part 2 Azerbaijan".

POLICY RECOMMENDATIONS

Mustafa Aydin, Siri Neset & Arne Strand

The South Caucasus is amid geopolitical change once again. Following recent tribulations, this change might prove somewhat more durable than any since the end of the Cold War. While any change in the geopolitical calculations in the recent history of the Caucasus brought challenges to both regional countries and the countries nearby, the region is currently poised to impact the situation further afield, as far as the E.U. and European security and stability. As such, regional countries, interested outsiders and European countries should be more careful than usual in their policy choices.

Below are policy recommendations that we collected and categorised through our current research in the region and from our conversations with the expert communities in the South Caucasus, Turkey, and Europe. These recommendations are addressed in general to the international community.

- The international community needs to balance and reduce Russian dominance in the region through political, economic, and cultural programs and, if possible, security partnerships. It should be remembered that any movement toward solving so-called frozen conflicts works in this direction.
- Policies and projects directed to the region/regional countries should be revisited and strengthened to prevent democratic backsliding and consolidation of authoritarianism.
- International actors and European countries should work to reinforce international laws and regulations regarding the territorial integrity of the regional countries. Respect for the inviolability of the borders should be the cornerstone of any regional international involvement.
- Support for civil society, the expert community, and people-to-people initiatives that strengthen regional cooperation, understanding and reconciliation should be increased.
- The role of regional economic cooperation in fostering regional peace and security and regional identity should be understood and continuously supported. As the region, apart from Azerbaijan, lacks the resources to sustain itself, the involvement of broader neighbourhood and international actors in promoting regional economic cooperation and development is paramount.
- European countries could connect with Turkey to try to review and revive Turkey's older regional cooperation suggestions, such as Caucasus Stability Pact or Caucasus Cooperation Initiative, to widen the possibilities of the regional countries in the current international environment.
- Sustainable mechanisms to develop and promote conflict resolution and peacebuilding should be created with European countries' support and experiences -including Norway. In this context, developing a humanitarian action plan regarding the return of displaced people to the Karabakh region, helping with the demining process on the border regions and the Nagorno-Karabakh, creating a platform for dialogue between expert communities from Armenia and Azerbaijan, supporting societal engagements between Georgians, Abkhaz, and Ossetians, lending technical and financial support to negotiations are some of the possible alternative ways the international community could get involved.

EPILOGUE

Siri Neset

Since the project's end, development in the South Caucasus has rapidly evolved. Especially with the onset of Russia's invasion of Ukraine, preliminary observations and a summary of regional developments are needed to round up this report. The end of October 2022 was accepted as the cut-off date for the epilogue.

Armenia-Azerbaijan conflict

Fighting again flared up on the Azerbaijan-Armenia border on 12-15 September 2022. Although there had been clashes earlier, the latest fighting occurred on the state border between the two and not along the line of contact. This incident is a response to an Armenian attack on Azerbaijani forces inside Kalbajar.¹¹¹ However, this also related to Azerbaijan's attempts to draw attention to the (for them) importance of Armenia's neglect in implementing two specific agreement items in the Moskva brokered peace deal. First, the removal of all Armenian troops from Karabakh.¹¹² This was the rationale behind stationing the Russian peacekeeping force; to protect the ethnic Armenians there, should they need it. Secondly, to open all communication corridors between Azerbaijan proper and their enclave of Nakhichevan (there is no land connection between the two). This connection is referred to as the Zangezur Corridor by the Azerbaijani government, and the access, they say, does not mean any control or territorial acquisition on the part of Azerbaijan: merely access without checkpoints comparable in status to the Lachin Corridor. The third line of arguments on why Azerbaijan launched attacks on its border with Armenia are claims that Baku sought to shift Armenia's focus to its border security and, thus, its territorial integrity to force them to be more inclined to give up their stance on Nagorno Karabakh¹¹³

This situation illustrates two things; one, the situation is very fragile, and two; Russia is either unable or unwilling to enforce its ceasefire agreement, although it's said to have brokered the latest ceasefire that Azerbaijan claimed lasted only fifteen minutes.¹¹⁴ Further, it exemplifies the need to establish agreed and secure borders. The issue of border delimitation is still unresolved. And the parties are seriously divided on the status of Nagorno-Karabakh. Finally, with the Russian occupation of Ukraine, the South Caucasus has entered uncharted territory.

On the positive side, since the latest violence ended, high-level meetings between the two countries have continued under the auspices of the E.U. The meeting in Prague in October produced two meaningful outcomes that have the potential to pave the way for peace: mutual recognition of the 1991 Almaty Declaration as a basis for border discussions and acceptance of an E.U. "Monitoring Capacity" with the potential to build confidence amongst the sides and deescalate potential hostilities.¹¹⁵ Alongside the EU effort, there is increased US involvement with direct mediation efforts of spring 2023. A peace agreement between the two parties would bring stability, facilitate trade, improve regional diplomatic ties, and aid the Armenian-Turkey normalisation process. However, there is a need to engage civil society and prepare the public on both sides to build lasting peace.

111 F. Chiragov, "Escalation in Karabakh Casts Shadow Over Peace Process", *Eurasia Daily Monitor*, Vol. 19 (146), 2022, <https://jamestown.org/program/escalation-in-karabakh-casts-shadow-over-peace-process/>.

112 The Armenian side interprets this point differently, as they see the forces stationed in Stepanakert (or Khankendi) as not Armenian, but Karabakh forces and that they can remain there indefinitely.

113 Z. Shiryev, "Can Azerbaijan's Push for a Treaty with Armenia Yield Genuine Peace?" in E. T. Ambrosetti (ed.), *A new regional order in the making: The coming geopolitics of the South Caucasus*, ISPI Dossier, November 2022, https://www.ispionline.it/sites/default/files/publicazioni/dossier_caucasus_november_2022.pdf.

114 "Russia Tells Armenia and Azerbaijan: Cease Hostilities", *Reuters*, 13 September 2022, <https://www.reuters.com/world/russia-tells-armenia-azerbaijan-cease-hostilities-2022-09-13/>.

115 "EU deploys Armenia-Azerbaijan border-monitoring mission, but questions remain", *EURACTIV*, 18 October 2022, <https://www.euractiv.com/section/europe-s-east/news/eu-deploys-armenia-azerbaijan-border-monitoring-mission-but-questions-remain/>.

Domestic developments

The South Caucasus countries are facing difficulties domestically, except Azerbaijan. Georgia struggles with domestic polarisation and infighting over issues such as Ukraine and Russian immigrants, worsened by the lack of cooperation between the ruling government and the opposition. In the aftermath of the failure to become an E.U. candidacy country, Georgia has started to work on the 12 recommendations provided by the E.U. commission but only made some progress on judicial reform and anti-corruption. The first criterion was to depolarise the political and social environment that has yet to be improved. The E.U. Commission will revisit the Georgian status next spring, but it does not look promising today. Internationally, since the Russian invasion of Ukraine, there has been an increasing focus on the Middle Corridor, representing the potential for increased economic development and broadening international cooperation. A new redistribution of power in the region has also granted Georgia more room to manoeuvre in its foreign policy. However, it seems like the domestic situation consumes too much of the government's energy and focuses entirely on taking advantage of these changes.

Prime Minister Pashinyan is under intense pressure in Armenia. He has repeatedly stated that the country needs to make tough compromises regarding the peace talks, which evokes anger within parts of the population, resulting in frequent demonstrations against the government.¹¹⁶ At the start of the latest fighting between Azerbaijan and Armenia, Yerevan officially approached the Collective Security Treaty Organization (CSTO) for support. It was the first time that Yerevan had evoked Article 4 of the organisation's charter, and the expectation was that Moscow would react by convening urgent meetings and warning Baku. This did not materialise; the only outcome was a fact-checking delegation to Armenia. Highly disappointing, it led to resentment among ordinary Armenians and demands for withdrawal from the CSTO. In addition to other domestic pressures on the Armenian government, calls for reconsidering some aspects of the relationship with Russia are expected to rise – although there is little room for Armenia to find alternative security guarantors. The country is dependent on Russia regarding security and economic issues. However, the Armenian leadership is working to mend this by reaching out to different international actors such as the U.S., with which it has signed several cooperative agreements lately, and France.¹¹⁷ It also seems like they are committed to the normalisation process with Turkey, which would be the one thing besides a peace deal with Azerbaijan that could improve Armenia's economy.

Azerbaijan, which has had to balance its policies between Russia in the north and Iran to the south, has carved out some room for manoeuvring through its newfound strength in the region. Baku perceives Russia's invasion of Ukraine as an opportunity to advance on the battlefield, negotiate for a peace treaty on advantageous terms, and push to gain Armenia's formal recognition of its sovereignty over territories, including Nagorno-Karabakh.¹¹⁸ One could also observe in March and August, when the ceasefire broke down, that Azerbaijani forces took control of strategic positions in Nagorno Karabakh despite Russian peacekeepers being positioned there. However, with these military operations, President Aliyev faced domestic protests. Although relatively minor, in the Azerbaijani context, still significant and unusual given the government's tight grip on the society.¹¹⁹ The sanctions imposed on Russia and the expansion of the Middle Corridor also give Baku some bargaining power vis-à-vis Moscow as the situation provides more importance to Azerbaijan as a bridge country between Russia and Iran. The country further connects Iran and India with Russia through the International North-

116 "Upholding the Ceasefire between Azerbaijan and Armenia", *International Crisis Group*, 28 September 2022, <https://www.crisisgroup.org/europe-central-asia/caucasus/armenia-azerbaijan-nagorno-karabakh-conflict/upholding-ceasefire>.

117 "Pashinyan, Macron discuss steps towards strengthening security in the South Caucasus", *Public Radio of Armenia*, 19 November 2022, <https://en.armradio.am/2022/11/19/pashinyan-macron-discuss-steps-towards-strengthening-security-in-the-south-caucasus/>.

118 Shiriyev, "Can Azerbaijan's Push for a Treaty with Armenia Yield Genuine Peace?"

119 "Smear campaign launched against Azerbaijani traitors", *Eurasianet*, 20 September 2022, <https://eurasianet.org/smear-campaign-launched-against-azerbaijani-traitors>.

South Transport Corridor (INSTC).¹²⁰ It is also worth mentioning the unprecedented reference that President Aliyev made to Iranian Azerbaijanis, i.e., “all Azerbaijanis who live abroad”, but it was quickly put into the context of the recent disputes between Azerbaijan and Iran. Finally, with the Russian invasion of Ukraine, Azerbaijan’s geopolitical position is strengthened due to European powers’ need for energy exports to replace Russian gas.

Regional and international actors

Russia is distracted by Ukraine. The preliminary visual evidence in the South Caucasus is that Russian troops have been pulled from Abkhazia, South Ossetia, Karabakh, and Armenia to fight in Ukraine. Russian influence in the region is declining, and the South Caucasus countries know this. Especially its image as an influential and trustworthy partner is weakening. Nevertheless, the regional states seem to deal with Moscow pragmatically with the conviction that Russia will still be a crucial actor in the region, however, with a changed role that is not the military-political hegemon it was before. This perception shapes the security vacuum that now arises.

Apart from pulling out (experienced) soldiers from the region to fight in Ukraine, there are other signs of Russian disengagement. Regarding the impasse between Azerbaijan and Armenia about the ownership of troops in Karabakh, Russia has not tried to solve the issue, damaging the relationship with Baku. Furthermore, not stepping in and supporting Armenia during the latest schisms harms its relations with Armenia and its public image in the region. The peacekeeping mission is not living up to its expectations; expertise and equipment are moved to the Ukraine front; it has been unable to prevent clashes which have led to an emboldened Azerbaijan who has been able to seize positions within the operation area of the peace forces; protest amongst the locals has erupted,¹²¹ and Armenia is questioning the Russian commitment. Also, concerning the Lachin corridor, there has been much confusion about the presence of the Russian troops. In October 2022 came another indication of Russian disconnect: the agreed E.U. observation mission to be stationed on the Armenian border with Azerbaijan. This signals two things: broken Armenian trust in Russia as a security guarantor, and the E.U. is back in business in the South Caucasus. Similarly, the U.S. stepped up in support of Armenia during the September fighting and the later negotiation initiative

The much-touted revival of Soviet-era railways is postponed. Moscow was behind this project that would have allowed it to reach Armenia, Iran, and Turkey by circumventing troubled transit routes through Georgia. Military calculus is said to be behind the initiative as it would have allowed Russia to mitigate the geographical obstacle of the Caucasus mountains. For Georgia, this failure means that the traditional routes that run through the country maintain their essentials and thus ensure the economic benefits that come with them. Iran also benefits from the status quo as the railway could potentially limit Teheran’s weak position in the South Caucasus. Time will tell how much effort Russia can put into regional transport routes. It is clear, however, that if it is serious about maintaining its position, one sign will be Moskva pushing for establishing the Zangezur corridor on similar conditions as the Lachin corridor. This is because it will provide Russia with control over two vital passages at once, connecting Armenia with Karabakh and Azerbaijan with Nakhichevan and, with this move increasing both countries’ dependence on Moskva. Even though Russia seems to have “left the scene”, now one should not forget that it preserves the power to disrupt the Armenian-Azerbaijani peace process. Also, setbacks in Ukraine may lead Moscow to raise tensions with Georgia again over Abkhazia and South Ossetia to divert attention from setbacks in Ukraine.¹²²

120 G. Hajiyeva, “Azerbaijan, Russia, Iran Sign Declaration on North-South Transport Corridor”, *Caspian News*, 11 September 2022, <https://caspiannews.com/news-detail/azerbaijan-russia-iran-sign-declaration-on-north-south-transport-corridor-2022-9-11-0/>.

121 L. Shahverdyan, “Karabakh residents increasingly questioning Russian peacekeepers’ effectiveness”, *Eurasianet*, 11 August 2022, <https://eurasianet.org/people/lilit-shahverdyan>.

122 T. Giushvili, “The South Caucasus in an ‘Interregnum’? the shifting power dynamics in the wake of Russia’s war in Ukraine”, *STG Policy Briefs*, 2022/32, <http://hdl.handle.net/1814/75091>.

The balance of power has shifted in favour of the Azerbaijani-Turkish nexus, creating new geopolitical realities. For Turkey, at a time of regional recalibration triggered by the wars in Karabakh and later in Ukraine, Ankara's diplomatic engagement in the South Caucasus region and beyond into the post-Soviet space grew further. Turkey has firmly established itself as a security provider to Azerbaijan through the Shusha agreement and during the Armenian-Azerbaijani war. However, Turkey has also moved further into Central Asia and elevated its relations with Uzbekistan.¹²³ Kazakhstan and Turkey have established their relations to the level of enhanced strategic partnership.¹²⁴ This includes military and defence cooperation and intelligence sharing on regional developments and terrorist activities.

Furthermore, the two countries agreed that Kazakhstan would manufacture the Turkish ANKA drones.¹²⁵ This partnership is significant as it showcases Turkey securing its interests in a country that, to this point, has been perceived by Russia as a near-exclusive object of its security guarantees. Initially, criticism was also raised from Russia. Significant and possibly problematic is the fact that Turkey as a NATO member with the obligations that this entails provides military assistance to a CSTO member. This concerns both the NATO alliance and Russia and other CSTO members.

Turkey may fill the gap left by Russia as its position in the South Caucasus is weakened due to its war with Ukraine. One crucial step in this regard is to normalise Turkey's relations with Armenia. The process has been going on for a while with some progress. On October 6, the first-ever meeting between Pashinyan and Erdogan was held in Prague. One crucial obstacle to the process is, however, that normalisation with Armenia only, seen from a Turkish perspective, can be finalised after or parallel to an Armenia-Azerbaijani peace deal. The Turkish Foreign Minister, Cavusoglu, has even openly stated that this would be impossible, and Erdogan has confirmed that the two processes must run parallel.¹²⁶ Thus, the normalisation process is included in the broader peace process in the South Caucasus.

Establishing new transport routes is vital from a Turkish perspective, and for that, stabilising the South Caucasus is crucial. Turkey has long eyed an opportunity to become an energy hub and, generally, a logistics and production base¹²⁷ benefitting from the country's geographical position between Asia and Europe. The materialisation of the corridor between Azerbaijan and Nakhichevan, and then linking Turkey to Azerbaijan through Nakhichevan, will connect Turkey to the Caspian Sea and newly independent Central Asian Turkic republics beyond it. As demands increase and emphasis is put on the Middle Corridor as an alternative route circumventing Russia, the current underprepared regional infrastructure must be updated to handle the potential transportation bonanza. To meet this growing concern, Azerbaijan, Georgia, Kazakhstan, and Turkey recently signed a declaration to improve transport routes in the Southern Caucasus and Central Asia as an alternative to the northern route via Russia.¹²⁸ Geopolitically, Turkey is still trying to balance between its Western partners and Russia. However, when it comes to Turkey's interests and policies in the South Caucasus, these are more aligned with the West than with Russia.

Much of the power struggle between different actors, including Turkey, in the South Caucasus, evolve, but at the same time, is pending on the outcome of the Ukraine war. For Turkey, the South Caucasus is one of many geographical arenas where the margins of cooperation conflict and competition dynamics in the relationship with Russia are continuously tested. How Turkey will move in the region

123 M. Tanchum, "New Turkey-Uzbekistan Strategic Partnership Accelerates Turkey's Rise as a Eurasian Agenda-Setter", *The Turkey Analyst*, 8 June 2022, <https://www.turkeyanalyst.org/publications/turkey-analyst-articles/item/688-new-turkey-uzbekistan-strategic-partnership-accelerates-turkey%25E2%2580%2599s-rise-as-a-eurasian-agenda-setter.html>.

124 "Turkey and Kazakhstan agree on "enhanced strategic partnership", *Daily Sabah*, 11 May 2022, <https://www.dailysabah.com/politics/diplomacy/turkey-kazakhstan-agree-on-enhanced-strategic-partnership>.

125 A. Musaev, "Kazakhstan Approves Military Intelligence Protocol with Türkiye", *Caspian News*, 11 August 2022, <https://caspiannews.com/news-detail/kazakhstan-approves-military-intelligence-protocol-with-turkiye-2022-8-11-21/>.

126 "Erdogan: Turkey will normalize relations with Armenia after peace agreement with Azerbaijan", *Armenia News*, 7 October 2022, <https://news.am/eng/news/723887.html%20>.

127 "Holding key to global supply chains, Turkey offers safe investment environment", *Daily Sabah*, 24 March 2022, <https://www.dailysabah.com/business/economy/holding-key-to-global-supply-chains-turkey-offers-safe-investment-environment>.

128 "Georgia, Azerbaijan see surge in transit demand amid Russia's isolation", *Eurasianet*, 2 June 2022, <https://eurasianet.org/georgia-azerbaijan-see-surge-in-transit-demand-amid-russias-isolation>.

is thus dependent on both Russia's strength as the war in Ukraine continues (or is concluded) and Turkey's strategic priorities in the region.

The rise of Azerbaijan in the South Caucasus is perceived as a threat to Iran. First is the planned Zangezur corridor between Azerbaijan and Nakhichevan because they fear this could disturb the country's essential transit routes and connection to Europe through Armenia. Also, they fear a land grab by Azerbaijan and Turkey that will end up with control of Turkey and Azerbaijan along its entire northwest frontier.

Secondly, about one-fifth to one-third of the Iranian population is Azeri by ethnicity. They are frequently able to put pressure on the Iranian regime, and there are fears that Azerbaijan (and Turkey) plan to instrumentalise this part of the population to stage an uproar and a movement for independence for the Azeri people. In mid-October, the Iranian military conducted large-scale military drills on its border with Azerbaijan, possibly as a show of force considering the above.

Iran is a firm ally of Armenia and sees eye to eye with Russia about limiting Turkey's influence in Central Asia and South Caucasus. Some experts argue that it is unclear if Armenia is not fulfilling its obligation in line with the peace agreement (concerning the linkage of Azerbaijan and Nakhichevan) because they do not want it or Iran/Russia tells them not to do it.¹²⁹ Iran is also very uneasy about Israel's military cooperation with Azerbaijan. From the Iranian perspective, it is essential to keep the South Caucasus stable and to resolve the conflict between Azerbaijan and Armenia.¹³⁰

The E.U. has been trying to enhance its diplomatic engagement with the South Caucasus after many years of being sidelined by Russia. It has taken on a role as facilitator and mediator in the conflict between Azerbaijan and Armenia and stepped up in the candidacy process with Georgia. The increased involvement by the organisation in the Karabakh conflict has not gone unnoticed by Russia, who, as an initiative to reassert its role in the peace process, summoned President Aliyev and Prime Minister Pashinyan to a meeting on November 1st, 2022.

Already in December 2021, the E.U. made attempts to mediate the conflict. Still, it was only after the Russian invasion of Ukraine that it became genuinely significant in bringing the parties together. Some claim that now is the time for E.U. to finally step in and lead the conflict transformation processes in the South Caucasus.¹³¹

Concerning its security policies towards the region, the E.U. needs to be faster and more reactive to developments on the ground. It requires an overall security strategy for its Eastern Neighbourhood, including the South Caucasus. With the shock of the Russian aggression, this may now change. A small step in this direction was the agreement between the EU, Armenia, and Azerbaijan to deploy a civilian E.U. mission along the border of the two countries. The security of the South Caucasus directly impacts the security of the wider Black Sea region, already destabilised by the war in Ukraine. The problem for the E.U. is that it needs tangible enforcement tools to complement its diplomacy. Here the support and partnership of the U.S. is an essential factor.¹³²

For Europe, the region has been revitalised as a crucial component in its energy security to reduce its dependence on Russia as an energy supplier. This fact forces the E.U. to rethink and reshape its policies at the strategic level amid this new geopolitical reality.

The E.U. has already approached and signed a strategic partnership regarding energy supplies with Azerbaijan.¹³³ We also observe a heightened interest in alternative logistical routes due to changes

129 Webinar: "The Azerbaijan-Armenia Conflict and the American Interest", *The Hudson Institute*, 22 September 2022, <https://www.youtube.com/watch?v=ZcBjh2TzWgM>.

130 Bazoobandi, "The Conflict Between Azerbaijan and Armenia through Tehran's Lens", ISPI, 07. November 2022, <https://www.ispionline.it/en/publication/conflict-between-azerbaijan-and-armenia-through-tehrans-lens-36640>

131 Giuashvili, "The South Caucasus in an 'Interregnum'?"

132 M. Pir-Budagyan, "A cautious return: The U.S. role in the South Caucasus", *Institute for the Study of Diplomacy*, 2022, <https://medium.com/the-diplomatic-pouch/analysis-a-cautious-return-us-role-in-the-south-caucasus-274856535ce0>.

133 "EU and Azerbaijan enhance bilateral relations, including energy cooperation", *EU Commission*, 18 July 2022, https://ec.europa.eu/commission/presscorner/detail/en/IP_22_4550.

in supply chain demand, first due to the pandemic and then intensified by the war. Here the Middle Corridor has gotten renewed attention.¹³⁴

South Caucasus has lately seen a more active American presence and a re-engaged Biden administration. It stepped up to support Armenia in the latest round of fighting to balance Azerbaijan's assertiveness with, amongst other measures, a visit by former speaker Pelosi with a congressional delegation. According to U.S. sources, the perception in Washington is that the U.S. has more room to manoeuvre since they do not depend on Azerbaijani energy, unlike the E.U., and thus can help maintain the E.U.'s position as an honest broker.¹³⁵

The U.S. has the same position as the regional countries; that Russia is staying in the region, that a final peace deal must include Russia, and that Moscow must be dealt with pragmatically. However, at the same time, the U.S. have the opportunity, now with Russia occupied elsewhere, to position itself in the region.¹³⁶ The American administration should back the E.U. in its facilitator role, work with the different actors on measures to stabilise the region, and aid facilitate trade and transport, especially within the energy sector and, as such, aid European energy security through the Caucasus and Central Asia.¹³⁷

Under the circumstances, the politics, security, and international relations of the Caucasian countries are evolving rapidly in response to developments in the broader region and global geopolitics. It is clear now that the regional governments are watching developments, especially related to Russia-Ukraine War and Russia-West relations, and drawing their conclusions, which will affect their policy choices and relations with nearby countries and international actors in the mid-to-long term.

134 "Georgia, Azerbaijan see surge in transit demand amid Russia's isolation", *Eurasianet*, 2 June 2022, <https://eurasianet.org/georgia-azerbaijan-see-surge-in-transit-demand-amid-russias-isolation>

135 Pir-Budagyan, "A cautious return: The U.S. role in the South Caucasus".

136 Ibid.

137 Webinar: "The Azerbaijan-Armenia Conflict and the American Interest".

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